GOVERNMENT OF INDIA

MINISTRY OF FINANCE

BUDGET FOR 1964-65

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SPEECH OF SHRI H. C. DASAPPA INTRODUCING THE RAILWAY BUDGET FOR 1964-65 ON

11TH FEBRUARY, 1964.

MR. SPEAKER,

Sir, I rise to present the Railway Budget for the year 1964-65—my first Budget after taking over as Minister of Railways.

ACCOUNTS OF 1962-63

2. **Receipts, expenses and surplus 1962-63.**—As is customary, I shall begin with an outline of the financial results of 1962-63, the latest year for which complete accounts are available. The net surplus came to Rs. 42·06 crores, as compared to the Revised Estimate of Rs. 23·20 crores. The larger surplus was almost entirely due to the increase in traffic receipts which came to Rs. 566·79 crores, or an increase of more than Rs. 17 crores over the Revised Estimate of Rs. 549·62 crores. The goods earnings in the concluding three months of the year alone amounted to Rs. 101·78 crores, as against Rs. 247·74 crores in the first nine months. This was proportionately a much greater increase, towards the end of the year, then could be anticipated in the Revised Estimate on the basis of the normal increase in goods traffic accruing in the closing months every year.

Ordinary Working Expenses amounted to Rs. 362·38 crores,—just Rs. 76 lakhs, or about one-fifth of one per cent, short of the revised estimate of Rs. 363·14 crores. A reduction of Rs. 82 lakhs, from the Revised Estimate of Rs. 11·77 crores in the expenditure on works chargeable to Revenue, also contributed to the increased surplus, apart from other minor variations. From the net revenue, dividend to the tune of Rs. 68·76 crores was paid to General Revenues at 4·25 per cent on the Railways' Capital-at-charge, the rate fixed, for five years from 1961-62, on the recommendations of the Railway Convention Committee, 1960, before it was increased to 4·50 per cent, from 1963-64, with the approval of the Parliament. After paying the General Revenues a further sum of Rs. 12·50 crores, the annual payment in the Third Plan period recommended by the Railway Convention Committee, 1960, as being due from the Railways for transfer to the States in lieu of passenger tax merged in passenger fares from 1st April 1961, the net surplus came up to Rs. 42·06 crores. This was just 2·22 per cent on the Capital-at-charge of nearly Rs. 1,900 crores, as compared to 1·5 per cent in 1961-62 and 2·1 per cent in 1960-61.

REVISED ESTIMATES FOR 1963-64

3. **Revised Estimate of traffic receipts 1963-64 compared with Budget Estimate.**—Coming to the Revised Estimates for the current year, the present forecast of Gross Traffic Receipts is Rs. 622·22 crores, or Rs. 22·53 crores more than the Budget Estimate of Rs. 599·69 crores. Apart from an increase of Rs. 2·38 crores under 'Sundry' earnings and allowing for a small variation of rupees four lakhs more under suspense, or earnings awaiting realisation at the end of the year, the bulk of the increase is expected to accrue under passenger and goods earnings. The forecast of increase, over Budget Estimate, under passenger earnings is Rs. 7·53

crores and that under goods earnings Rs. 12·66 crores. Rail transport capacity has continued to increase steadily; and while the overall demand of goods traffic has not been sufficient to absorb fully this increasing capacity, traffic in the category of general goods has been higher than was envisaged in the budget. The consequent increase in goods earnings is expected to more than compensate for shortfalls, on the budget anticipation, under export ore, coal and raw material for the steel plants.

4. **Revised Estimate of Working Expenses 1963-64 compared with Budget provision—Supplementary Demands.**—The Revised Estimate of ordinary working expenses comes to Rs. 393·34 crores net, against a Budget provision of Rs. 379·04 crores. The increase of Rs. 14·30 crores is mainly the effect of certain developments which could not be anticipated in the Railway Budget for 1963-64. These post-budget developments, by way of general taxation changes (inclusive of increase in diesel oil price) an increase in the prices of controlled materials like coal and steel, beyond what had been envisaged in the Budget, have resulted in an increase in the working expenses of the Railways, in the current year, of about rupees six crores over the Budget provision. In addition to this, an increase of Rs. 3·5 crores is anticipated under staff expenditure. This is due to the increase, during the current year, in the rates of dearness allowance to lower-graded Central Government employees and increases in the house rent and city compensatory allowances, payable from 1st January 1964, in certain cities and towns. Staff and fuel costs alone account for approximately 75 per cent of the total Ordinary Working Expenses. The House will therefore appreciate that significant increases under these two items involve an unavoidable increase in working expenses over the Budget provision. The rest of the increase anticipated under working expenses, over the budget provision, is about Rs. 4·8 crores—just 1·26 per cent. This represents the aggregate cost, according to latest computation, of a variety of other items, which could not be assessed precisely, or could not be foreseen, in the budget. Briefly, these items cover provision under retirement benefits with the raising of the age of retirement from 55 to 58 from 1st December 1962, post-budget enlargement in the scope of night duty allowance, increases in the rates of mileage and overtime to staff and increase in the proportion of higher grade posts in a few non-gazetted cadres.

The aggregate net increase of Rs. 14·30 crores in ordinary working expenses, over the budget, is fully accommodated in the anticipated increase of Rs. 22·53 crores in gross traffic receipts. The net surplus is thus expected to be better than the Budget Estimate. Supplementary Demands for the gross extra funds required are being presented separately. These are further to the Supplementary Demands voted by Parliament in April 1963, which covered just the effect of the increases in the price of coal effective from 1st March 1963 and 1st April 1963.

5. **Revised Estimate of surplus for 1963-64 compared with budgeted surplus.**—The contribution to the Depreciation Reserve Fund, charged to Revenue Working Expenses, will be Rs. 80 crores, the same as provided in the Budget Estimate for 1963-64. After providing for normal variations under Miscellaneous Revenue Expenditure and a slight increase in the amount of dividend payable to General Revenues due to increased capital outlay, the surplus creditable to Development Fund is now expected to be Rs. 37·75 crores, or Rs. 6·75 crores more than the

Budget Estimate of Rs. 31 crores. Against the steadily increasing expenditure chargeable to this Fund, the surplus of Rs. 37·75 crores, anticipated in the Revised Estimate of 1963-64, is just about adequate. Honourable Members will appreciate that the surplus has to be judged not by itself but in relation to the growing investments in the Railways. Taking into account the present greatly increased Capital-at-charge, the surplus of Rs. 37·75 crores expected in 1963-64 barely corresponds to an annual surplus of about Rs. 18 crores in the First Plan Period.

6. **Revised 'Capital' or Works Budget 1963-64 compared with Budget provision—Supplementary Demands.**—The Revised Estimate of net expenditure for the current year, on Works, Plant and Machinery and Rolling stock, has been placed at Rs. 350·00 crores, as against the Budget provision of Rs. 325 crores. The net increase in the 'Capital Budget', over Budget Estimates, as modified by the more or less nominal additional provision of Rs. 21 lakhs secured through Supplementary Demands in April 1963 and September, 1963, is Rs. 24·79 crores. Supplementary Demands to cover the gross amounts of this excess are also being separately presented, in addition to the Supplementary Demands for Revenue Working Expenses already mentioned. Out of the net increase of Rs. 24·79 crores, an increase to the extent of Rs. 10 crores was envisaged even when the original Budget Estimate of Rs. 325·00 crores was fixed in consultation with the Ministry of Finance; but this was left over to be regulated later to the figure actually found necessary. The balance of the increase includes additional provision of over rupees eight crores resulting from the increase in customs duties on imported locomotives and other railway material and in the Central Sales Tax on indigenous purchases, as well as the rise, beyond budget forecasts, in the prices of materials such as cement, steel, cast-iron sleepers, wheels, tyres and axles, wheel-sets, rails and fish plates. After excluding these two ingredients of Rs. 10 crores and a little over rupees eight crores, from the total net excess of Rs. 24·79 crores, there is a balance of slightly under rupees seven crores, which is required to cover better deliveries of material and accelerated pace of execution of Plan works during the current year as compared to budget anticipation. The improvement in surplus to the extent of Rs. 6·75 crores, which is expected over the budgeted surplus, will just about meet this residual increase of slightly under rupees seven crores.

REVIEW OF THE RAILWAYS' PERFORMANCE IN RELATION TO THE THIRD FIVE YEAR PLAN TARGETS

7. **Freight traffic targets of Third Plan.**—I shall now review briefly the progress made by the Railways during the Third Five Year Plan. The House will recall the reference to the satisfactory position on the Railways made by my colleague, the Finance Minister, during the debate in the last Session on the mid-term appraisal of the Third Plan. The originating tonnage of goods traffic, I may recall, had risen from 93 million tonnes in 1950-51, to 115·9 million tonnes in 1955-56 and to 156·2 million tonnes in 1960-61, the last year of the Second Five Year Plan. The magnitude of the development can be viewed in its proper perspective when it is compared with the peak traffic of about 102 million tonnes lifted by the larger undivided Indian Railway system before partition during the heaviest year of the Second World War. In terms of tonne-kilometres, freight traffic nearly doubled itself in the ten-year period covered by the first two Plans. The number of passangers increased by 310 million, or by 24 per cent, during the same period. The rate of growth of traffic has been further accelerating. Whereas the

total increase in originating goods traffic during the Second Plan period as a whole was 40·3 million tonnes, the increase in just three years of the current Plan is estimated to be nearly 38 million tonnes. The last two years especially have seen particularly good Railway performance, by way of the large goods traffic carried in addition to the traffic for defence requirements carried in connection with the Emergency the greater portion of which falls in the category of 'Other Coaching traffic'. The position today is that all the freight traffic generated by the country's developing economy, which the Railways are called upon to transport, is moving more or less as and when offered. The supply of railway wagons for coal movement, which was a cause of some concern two years ago, is now fully adequate; in fact, further spare capacity is available and awaiting demand. The Railways expect to lift traffic of the level of 194 million tonnes in 1963-64 and this is expected to increase to about 211 million tonnes at the end of 1964-65 After allowing for a reduction in the assessment of traffic relating to steel plants, coal and cement, on present trends, the aggregate traffic expected to materialise in the last year of the current plan period is now placed at about 245 million tonnes in the Mid-Plan Appraisal.

8. **Passenger traffic increase in Third Plan.**—The aggregate increase in non-suburban passenger traffic in the first two years of the Third Plan has been less than four per cent. It is expected that, in the remaining years of the Third Plan, the overall increase will mount up to the 15 per cent provided in the Plan. The rate of overall increase in suburban passenger traffic in the Electric Suburban Sections of Bombay, Madras and Calcutta as well as other suburban sections, in the same two year period, was of the order of 18 per cent. This increase in suburban traffic is being handled by increasing train lengths as well as the frequency of services on the suburban sections to the maximum extent possible. The recent introduction of electric suburban services in certain sections in Sealdah Division in the Calcutta area will also progressively ease the situation there.

9. **Outlay of Railways in Third Plan—Maximising of resources through improved operation.**—Honourable Members will recall that my predecessor, Sardar Swaran Singh, had indicated, in his Budget Speech in February 1963 that a Railway Programme of Rs. 1,470 crores had been approved by Government for the Third Plan. A further sum of rupees seven crores was added for creating some additional capacity for the movement of iron ore to steel plants and for export purposes. The recent mid-term appraisal of freight traffic prospects at the end of the Third Plan envisaged that, out of the total of 245 million tonnes, the component of general goods traffic may reach a target of about 110 million tonnes, an increase of 10 million tonnes over the original target for this component. There might, however, be some shortfall in the short lead traffic, owing to a revision in the assessment of the likely production of the steel, coal and cement industries. An additional outlay of Rs. 45 crores, towards the cost of extra rolling-stock required for handling the increased quantum of general goods traffic which involves comparatively long leads, has been authorised. Adding to the programme another sum of Rs. 59 crores towards the cost of the strategic lines in Assam and North Bengal, the total outlay at present approved for the Railways stands at Rs. 1,581 crores. In fact, this may have to be increased somewhat to take the impact of the increase in costs arising from the direct and indirect effect of changes in taxation. I may, however, refer at this stage to the very striking improvements in operating efficiency,

particularly in the utilisation of rolling stock, which have avoided increases in investments to a great extent. This improvement achieved in the last twelve years has enabled us to keep down additions to rolling stock and other equipment well below the proportion of increase in traffic and to effect substantial saving in the capital requirements that would otherwise have been necessary. This is a feature that has been brought out in the latest Review of operating performance, which is being given to Honourable Members along with the budget documents.

10. **Progress of Third Plan expenditure of railways—contribution from railways' resources—foreign exchange component.**—During the three years up to March 1964, the Railways expect to utilise about Rs. 900 crores, out of the total approved outlay of Rs. 1,581 crores. It is expected that the provision for Railways in the Third Plan, including any increase that may yet be granted, will be utilised fully by the end of the Plan period. This is a reasonable expectation based on the gathering tempo of execution of Plan works already sanctioned and in progress. On present indications, the Railways expect to meet about a third of the cost of the development programme in the Third Plan from their own resources, including the sums annually set apart for depreciation. Of the 283 crores or thereabouts, of foreign exchange now estimated as required, an amount of nearly Rs. 200 crores has already been arranged. This includes an aggregate of Rs. 48·7 crores obtained since the last Budget, as loans for the Indian Railways, from the International Development Association—an affiliate of the World Bank—, the U.S. Agency for International Development and the Export-Import Bank of the United States. The balance is expected to be arranged in the next two years. This balance is required to cover the import of components for the manufacture of diesel and electric locomotives, electric multiple units, electric signalling, overhead equipment for electric traction, wagon components and a few other items.

11. **New Line constructions and other projects.**—The phasing of the construction of new Railway lines in different parts of the country, during the Plan period, has been constantly under review. For the time being, priority has to be accorded to the completion, within the target dates, of the lines in Assam and North Bengal and the lines required for the export of iron ore. In the former category is the metre gauge extension of the Rangapara North-Lakhimpur line to Murkong Selek, the construction of which has been resumed after some set back it suffered in 1962-63 during the Emergency. In the same category is the extension of the broad gauge line eastwards to Jogighopa in Assam (266 kilometres or 165 miles), in continuation of the already opened broad gauge line up to Siliguri. The extension of this broad gauge line eastward from Siliguri has assumed special importance since the Emergency. Work on the project is in full swing. Works necessary for increasing the capacity of the ferry across the Ganga between Farakka and Khejuriaghat have also been started. In the second category, namely, lines required for the export of iron ore, the major construction from Bailadilla to Kottavalasa is progressing according to schedule. The laying of a broad gauge line alongside the existing metre gauge line between Hospet and Guntakal, which is also in progress, serves the same objective.

Of the Third Plan new lines under construction last year, the Virudhunagar-Manamadurai line has been opened to traffic this year up to Aruppukottai as also the Hatia-Nawagaon line. The Kalkalighat-Dharmanagar line is expected to be opened to traffic shortly. Three major lines—the Sambalpur-Titilagarh and Bimlagarh-Kiriburu lines, undertaken in connection with the movement of export ore, and the

Robertsganj-Garhwa Road line, for movement of coal to the North and West,—have been completed and opened to traffic.

The Salem-Bangalore line is being constructed from both ends and has made appreciable progress. To facilitate the export of iron ore from Chitaldrug, Chikanayakanhalif and Kemmangundi areas in Mysore State, the construction of the Hassan-Mangalore line had been included in the Third Plan. A mixed broad-metre gauge link, from the present Mangalore station to the projected port site at Panambur, has been sanctioned as a first step in the construction of the Mangalore-Hassan line.

The conversion of the Poona-Miraj metre gauge section (261 kilometres or about 162 miles) to broad gauge has been taken in hand in order to meet the increased traffic needs of the region. There has been some thinking, since the last railway Budget was presented, in regard to the requirements connected with the development of Marmugao Port. The handling of traffic in imported food grains requiring to be moved northward via Poona would be facilitated by a broad gauge rail link from the port connecting with the projected Miraj-Poona broad gauge section. A similar proposal for providing a broad gauge line, in substitution of the existing Hospet-Londa metre gauge line *en route* Marmugao port, is dependent-on the prospects of iron ore exports in substantial quantities from the Hospet-Bellary region over and obove the ore exports now going from the Goa area. Two preliminary engineering and traffic surveys are in progress to examine whether broad gauge lines to serve these two objectives would be justified.

Policy of conversion to wider gauges.—As my predecessor explained, in the course of the general discussion of the Railway Budget in March 1963, the availability of resources does not permit of wholesale, or even large-scale, conversion of narrow or metre gauge lines to wider gauge, however desirable it may be. This objective can only be achieved in stages, depending on the urgency of the traffic requirements of each particular area from time to time.

The line capacity and remodelling works, doubling of track and track renewal works, provided in the Railway Development Programme, are all making good progress. The Railways can now look forward with confidence to their being able to handle the still larger traffic envisaged during the rest of the current Plan period.

12. **Dieselisation and Electrification in Third Plan.**—The House is aware of the efforts the Railways are making towards the modernisation of traction and rolling stock to handle effectively and economically their fast increasing freight and passenger traffic. Selected sections with heavy density of traffic are being progressively switched over from steam to diesel or electric traction. In the first two years of the Plan, electrification of 867 route kilometres had been completed. The total route kilometreage electrified on the Indian Railways since the commencement of the Second Plan has risen from 388 to 1,463. Electrification of the Third Plan lines, including the spill-over from the Second Plan, is expected to be substantially completed by the end of the Plan. Adequate power supply for these has been arranged. As a result of rephasing, adopted mainly to conserve foreign exchange, only two sections, namely, the Howrah-Khargpur section of the Southeastern Railway and the Nandgaon-Bhusaval section of the Central Railway will be carried over to, and completed early in, the Fourth Plan. The Indian Railways' fleet of diesel locomotives of all gauges has grown from 171 units

on 31st March 1959 to 454 units at present and of electric locomotives from 92 to 240 during the same period. It should be a matter for some satisfaction that, even with the existing modest complement of such locomotives of the modern type, over 21 per cent of the total net ton miles of rail traffic carried in 1962-63 was hauled by diesel and electric locomotives. This percentage has increased in the current year. Indigenous manufacture of both electric and diesel locomotives will further accelerate the peace of dieselisation and electrification of the vast Indian Railway system.

13. **Procurement of carriages and wagons in the Third Plan.**—The procurement of carriages and wagons is expected to be adequate for the traffic load now envisaged at the end of the Plan period. The increase in the indigenous capacity to produce wagons has been from 3,700 units (in terms of 4-wheelers) per annum in 1950-51, to 12,000 in 1960-61, 19,000 in 1961-62 and 26,000 wagons in 1962-63; the out-turn has just reached about 3,000 wagons per month and the target of production in 1964-65 is 40,000.

TRANSPORT PERFORMANCE

14. **Railway transport in 1962-63—shortfall in demand for transport in 1963-64 under coal, export ore, etc.**—The House will be interested to know that, in 1962-63, the Railways lifted 178·8 million tonnes of goods traffic, against 160·5 million tonnes lifted in 1961-62—an increase of 18·3 million tonnes which was three million tonnes above the target of 15·24 million tonnes set for the year and strikingly better than the performance of any earlier year. According to present trends the Railways expect to lift, in the current year, a further 15 million tonnes in the aggregate, against an estimated increase of 17 million tonnes. Due to reduced demands on rail transport, the increase under coal is now expected to be about four million tonnes only, against about 9·5 million tonnes anticipated earlier—a shortfall of 5·5 million tonnes. This is notwithstanding the availability of both production potential and transport capacity up to the earlier forecasts. The increase in the loading of export ore is now expected to be 0·5 million tonnes, against an earlier anticipation of one million tonnes. In regard to raw materials for steel plants other than coal, the input to meet their full actual demand is now expected to be about one million tonnes less than the anticipated increase of 1·50 million tonnes.

15. **Partly compensatory increases under general goods in 1963-64.**—The slower increase in the above categories of goods traffic, as compared to budget anticipation, is expected to be made up to some extent by additional tonnage under general goods. An increase of 9·3 million tonnes is now expected under general goods, or nearly double the increase of 4·8 million tonnes anticipated earlier.

16. **Railways' efforts to secure compensating traffic in 1963-64.**—As already mentioned, the second and third years of this Plan have been years of really good Railway performance with freight transport capacity growing rapidly. The present position is that the rail transport capacity is ahead of the consumer demand in principal sectors like coal and raw materials. The additional transport capacity, particularly in respect of line capacity and specialised rolling stock, like BOBS, BOX and BOI wagons, had been designed to meet the specific needs of coal, ore and steel plant traffic. It is difficult to transfer such capacity to other purposes. Nevertheless much has been achieved in stepping up the carriage of general goods and easing the transport position generally. It has been

found possible to abolish most of the quota regulations that had to be maintained in earlier years to prevent serious congestions on major trunk routes such as *via* Waltair, *via* Vijayawada and *via* Moghalsarai and to withdraw celling limits on the registration or indents and the nominated loading of smalls consignments.

17. **Rail transport capacity to North Bengal and Assam—C.T.C.**—There are practically no limitations now on the registration of traffic with the Railways, except sometimes for movement to east of Siliguri. This is a difficult but important route, the capacity of which is being progressively developed and is now, on the average, 100 per cent more than it was at the beginning of the current Plan. The stabilisation of the Assam link route, the completion of the Brahmaputra Bridge and the dieselisation of the section have augmented line capacity for traffic to and from North Bengal, Assam and North East Frontier Agency. Several line capacity works are currently in progress, on the Katihar-Siliguri, Siliguri-Alipurduar-New Gauhati, Mariani-Tinsukia, Lumding-Badarpur, and Rangiya-Rangapara North-Tezpur sections. After the completion of the broad gauge line from Siliguri to Bongaigaon, work on which is in progress, and the installation of the projected Centralised Traffic Control on the Bongaigaon-Gauhati section, it should be possible to meet all demands and do away completely with quota regulations on this route as well.

18. **Coal transport in 1962-63 and in nine months of 1963-64.**—The average daily coal loading during the year 1962-63, in all the coalfields, was 6,669, wagons, as against 5,999 wagons during 1961-62—registering an increase of 11·2 per cent. During the first nine months of the current year 1963-64, the daily coal loading averaged 7,047 wagons, against 6,512 wagons for the corresponding period of the previous year, an increase of 8·2 per cent.

Loading from the Bengal and Bihar coalfields rose from 4,799 in 1961-62 to 5,288 in 1962-63—an increase of 10·2 per cent. In the first nine months of the current year, the daily average loading has risen further to 5,621 wagons, against 5,177 wagons during the corresponding period of last year—an increase of 8·6 per cent. The Railways continue to move in full all the coal offered for rail transport in the Bengal and Bihar, as well as the outlying, coalfields, to all consumers—including steel plants and washeries—as in the previous year. In every way the Railways are fully geared to maintain the lead they have secured over the transport demands.

19. **Indian Railways' transport performance commended in World Bank team's interim report.**—In this context, it would not be out of place to invite the attention of the House to the interim report of the World Bank Team on coal transport of the country. This report has commended the Indian Railways for handling successfully, within their limitations, the increase in traffic density of almost unprecedented rapidity during the last twelve years. The Team has generally assessed the operating performance of the Indian Railways as comparing very favourably with that of Railways of other, more developed, countries. Certain recommendations have been made in the report such as the need to review the adequacy of the Railways' Rolling Stock procurement programme. These are receiving attention.

BUDGET ESTIMATES, 1964-65

20. **Factors affecting Budget Estimates of expenditure for 1964-65.**—Turning now to the estimates for the Budget year 1964-65, these have to take into account the continuing effect of the general taxation changes

affecting the prices of materials and of the various benefits for staff sanctioned by the Government in the course of the current year.

21. **Need for a Railway Pension Fund.**—One significant item of additional commitments under staff expenditure is on account of pensions. It is expected that many Railway employees, who have hitherto preferred to continue under the Railway Contributory Provident Fund Scheme of retirement benefits, will now elect pension with the enhanced benefits in lower rated pensions sanctioned from 1-10-1963 and the improvement in the family pension scheme from 1-1-1964. A large addition to the number of pensionable staff, under various age groups, is expected to give rise to widely fluctuating expenditure from year to year on account of pensions. Such fluctuations will continue for many years, until reasonable stability is reached some thirty years hence, when staff joining railway service since 16th November, 1957, who are all governed by pension, begin to retire. A special procedure is therefore necessary to even out these fluctuations. In other Government departments, where employees have always been pensionable, pension payments are currently charged in the year in which the payments are made and normally there is no wide fluctuation in such payments from year to year. The same procedure now obtains on the Railways, with relatively few pensionable railway staff. However, for the non-pensionable railway staff, there is a procedure of crediting Government Contribution to the Provident Fund as expenditure each year in the accounts as and when it accrues.

It is essential that the Railways, as a commercial department, should adopt a similar procedure in respect of pensions, to reflect not only the amounts actually paid as pension each year but also the potential cumulative liability for the pension benefits earned by each year of service, without the inconvenience of a fluctuating burden. It is computed that the actual cost on account of pensions, which at present is of the order of rupees three crores a year, will progressively rise to higher and higher levels until it reaches an amount of Rs. 38 crores or thereabouts. On the basis of actuarial calculations, taking the number of staff in different pay groups, it is calculated that a sum of Rs. 30 crores paid each year into a Fund from now on, will just suffice to finance, and fully cover, liabilities on account of ordinary, invalid and family pensions of ten lakhs of railway employees—taking only this number as coming over to pension out of the total staff strength of 12·12 lakhs on the Railways.

It is accordingly proposed, after consultation with the Comptroller & Auditor General and the Ministry of Finance, that a Pension Fund may be set up on the same lines as the Depreciation Reserve Fund on the Railways. The Fund will be instituted in 1964-65 with an initial contribution from Revenue of Rs. 19 crores, part of which will be by reduction in the provision for Government Contribution to Provident Fund creditable in that year. This *ad hoc* contribution of Rs. 19 crores, after meeting outgoings on pension payments in 1964-65 estimated at rupees four crores, will leave a balance in the Fund, at the end of that year, of about Rs. 15 crores, or about half of what is expected to be the minimum annual expenditure eventually on this account. This is considered a reasonable provision at this stage. Depending on how many non-pensionable employees elect to come over to pension, the position will be reviewed later. Pension payments made each year from 1964-65 onwards will be charged to the Pension Fund. The provision for the initial credit to the Pension Fund and for the withdrawals from it expected in 1964-65 are covered by two separate Demands for Grants, in the same way as contributions to and withdrawals from the Railway Depreciation Reserve Fund.

22. **Total cost of additional commitments in 1964-65.**—The aggregate additional expenditure on staff in 1964-65, both on account of setting up of the Pension Fund and on account of the increases sanctioned, during 1963-64, in the rates of dearness allowance and city compensatory and house rent allowances, is estimated at Rs. 20·5 crores, allowing for the reduction of rupees five crores in the provision for Government contribution to Provident Fund.

23. **Increased dividend on fresh capital in 1964-65.**—The proposal of the Government that Railways should pay interest at 5·75 per cent on Capital made available to the Railways after the 31st March, 1964, represents another factor for which extra provision has to be made in the Budget year. Capital provided up to the end of the current financial year will continue to pay dividend to the General Exchequer at 4·50 per cent. It is perhaps only appropriate that, having regard to the increased cost of raising capital and the still higher rate of interest on some of the foreign loans made available to the Railways, the Railways should now undertake to pay the General Revenues a higher charge than 4·50 per cent on future capital. The additional contribution to the General Exchequer on this account will be about Rs. 1·5 crores in 1964-65; this is with reference to half the annual anticipated capital outlay as it will stand at the end of that year. It will increase in 1965-66—the last year of the current Plan—to an additional contribution of nearly rupees five crores, assuming the same capital outlay in 1965-66 as in 1964-65. The rate of dividend will come up for review, in the usual course, by the next Railway Convention Committee in 1965, when this arrangement too would be reviewed amongst other things.

24. **Additional revenue necessary to meet at least part of the additional commitments in 1964-65.**—The aggregate of these additional commitments in 1964-65 will be of the order of Rs. 22 crores, made up of Rs. 20·5 crores under staff, including the net requirements of the Pension Fund, and Rs. 1·5 crores for additional dividend payment to General Revenues. The expenditure chargeable to the Development Fund is also mounting steadily, with the persistent demand for more facilities for the rising level of passenger traffic, operational improvements which are not directly remunerative but are necessary to deal effectively with the growing traffic and staff welfare works and quarters—which do not pay for themselves—for the increasing number of railway staff. This Fund is fed solely from the annual revenue surpluses. The annual railway surplus averaged about Rs. 14 crores during the First Plan and about Rs. 19 crores in the Second Plan. This was inadequate for meeting all the obligations from this source in the Second Plan, and the Railways had to borrow from General Revenues. It is essential that an annual surplus of the order of Rs. 30 to 35 crores is secured in the Third Plan period, both to finance the works chargeable to the Development Fund and to enable the Railways to maintain a reasonably satisfactory return on the present enhanced capital. It follows, therefore, that means should be found for raising sufficient additional revenue to meet at least part of the additional commitments, since the net additional earnings accruing from the normal increase in traffic will not suffice.

25. **Budget proposals for freight adjustments to secure additional revenue—additional two per cent surcharge.**—I do not intend to add anything in the budget year to passenger fares or to parcel rates. It is proposed to make a small increase of two per cent in the supplementary charge on goods freight rates, including coal rates, raising the surcharge from the present ten per cent to twelve per cent. Export ore, however,

will be exempt from this further surcharge. The surcharge will not also apply to Defence and Posts & Telegraphs traffic, which is governed by separate tariffs, nor to the Railways' own departmental traffic. Since the increase will be only two in 110, it would effectively amount to 1·8 per cent only. The House will recall what my predecessor said this time last year in regard to freight levels on the Indian Railways. He explained that, although the Freight Structure Enquiry Committee had recommended increases averaging about 13 per cent in the level of freights as early as 1957, when wages and prices of raw materials were substantially lower, the Railways had effected freight increases in stages and had reached that level of increase only five years later—by July 1962. The increase of seven per cent since July 1962, by way of surcharge on freight including the two per cent now proposed, has to be viewed in the context of the 33·5 per cent rise in the *per capita* cost of staff and the 33·4 per cent rise in the price of coal, since 1957. These two items alone together constitute as much as 75 per cent of the total ordinary working expenses of the Railways as already mentioned.

Proposed adjustments in coal freight and other rates (apart from two per cent additional surcharge).—Simultaneously, I propose to make a downward adjustment in the classification of certain high-rated commodities covering different items of finished products in consumer goods. I also propose to adopt a measure which, while raising some additional revenue, will serve as a step in the rationalisation of coal freight. The existing coal freight rates taper off sharply with distance. For instance, the existing rate per tonne kilometre, including supplementary charge, is 4·43 nP. at 300 Km, 3·43 nP. at 500 Km, 2·46 nP. at 1,000 Km, 2.02 nP. at 1,500 Km, and 1·74 nP. at 2,000 Km. Under my proposals, there will be no increase in coal freight rates up to 500 kilometres except for the two per cent addition to the supplementary charge. Beyond this distance, the differences in freight rates, which amount to a subsidy to long distance coal movement, will be reduced to some extent. Thus the charge per tonne kilometre will increase to 4·51 nP. at 300 Km, to 3·49 nP. at 500 Km, to 2·58 nP. at 1,000 Km, to 2·17 nP. at 1,500 Km, and to 1·92 nP. at 2,000 Km. In other words there will be a graduated increase for distances from 501 kilometres up to 2,100 kilometres, but in no case will it be more than rupees three per tonne in the basic rate. In making these increases I have kept in view the results of cost studies which indicate that the existing taper in coal freight rates for long distances requires revision so as to make freight rates on coal for such distances conform more nearly to the cost of its haulage.

Illustrations of the effect of proposals.—About 45 per cent of the total coal traffic moves for distances up to 500 Km and will not be affected by the proposed rationalisation, though two per cent supplementary charge on basic rates will apply. Another 31 per cent of the coal traffic, which moves between 501 and 1,275 Km, will bear increases in basic rates of less than a rupee per tonne. Only about five per cent of the total coal traffic moves beyond 2,100 Km, and will be subject to the maximum increase of rupees three per tonne in the basic rates. For consumers who get coal by rail, say from a distance of 2,100 Km, this will have the effect of increasing the all-in-cost of Grade I Bengal-Bihar coal F.O.R. destination, inclusive of the proposed two per cent surcharge, from Rs. 62·86 to Rs. 66·87 per tonne on the present price structure. On the other hand, downward adjustment in the classification of certain commodities, which now bear the highest rates, will involve an appreciable reduction in the freight rates for those commodities, ranging between 3·9 per cent and 23·5 per cent. The adjustment in their case, as in the case of coal, will serve to bring freight rates a little closer to the cost of

haulage and somewhat reduce the present wide spread in the freight rates. At 500 Km, the rate for traffic, in wagon loads, of acid nitric will be reduced from Rs. 103·10 by Rs. 18·10 per tonne, of safety matches from Rs. 88 by Rs. 15 per tonne, and of rectified spirit, furniture and confectionery, from Rs. 73 by Rs. 2·90 per tonne. There will be corresponding reductions for traffic in smalls. As regards the two per cent increase in the supplementary charge, it is too insignificant to affect retail prices. For instance, for a distance of 600 Km (375 miles approximately), which is about the average lead of general merchandise, the levy will amount to about one-twentieth of a naya paisa per kilogramme of salt, about one-twelfth of a naya paisa per kilogramme of sugar, and about one twenty-fifth of a naya paisa per kilogramme of foodgrains. For commodities charged at lower classification, the increase will be even less.

26. **Aggregate additional revenue from the proposals.**—The additional revenue from the two per cent general increase in the supplementary charge is estimated at Rs. 7·5 crores. The net increase from the other adjustments in freight rates is estimated at Rs. 3·5 crores. The total increase of Rs. 11 crores in revenue will still be only about half the estimated value of the new commitments which, as already explained, is likely to be of the order of Rs. 22 crores in 1964-65.

27. **Analysis of Budget Estimate of earnings 1964-65.**—The estimate of gross traffic receipts has been placed at Rs. 668 crores, which is Rs. 45·78 crores more than the Revised Estimate of Rs. 622·22 crores for 1963-64. Passenger earnings are expected to amount to Rs. 184 crores, allowing for about two per cent increase in passenger traffic over 1963-64. This keeps in view the average annual increase in non-suburban passenger traffic in the first two years of the current Plan, which was a little less than two per cent a year. Goods earnings, including the estimated additional revenue of Rs. 11 crores expected to accrue from the additional surcharge and the proposed small adjustments in freight rates, have been estimated at Rs. 432 crores. The estimates of 'Other Coaching earnings' and 'Sundry earnings' have been placed at slightly more than the Revised Estimates for 1963-64, namely, at Rs. 35 crores and Rs. 18 crores respectively.

It is estimated that the railways may have to lift goods traffic aggregating 17 million tonnes more in 1964-65 than in 1963-64. This is expected to consist of seven million tonnes more of coal from Bengal and Bihar, two million tonnes more of coal from the outlying coalfields, one million tonnes of other raw materials for, and finished products from, steel plants, one million tonnes of export ore, and six million tonnes of general goods. The Railways will prepare themselves to move this additional traffic, but it is too soon to forecast with any confidence whether the extra traffic will, in fact, materialise to this extent, especially in coal and in general goods.

28. **Analysis of Budget Estimate of Revenue Expenses, 1964-65—Net Surplus.**—The Budget Estimate of Ordinary Working Expenses for 1964-65 is a net provision of Rs. 414·68 crores, which is Rs. 21·34 crores more than the Revised Estimate of Rs. 393·34 crores for 1963-64. The effective increase would be Rs. 24·34 crores, if allowance is made for the reduction of rupees five crores in the provision under government contribution to Provident Fund and the increase of rupees two crores on account of the full year's effect in 1964-65, of the enhancement in dearness and other allowances sanctioned in the course of 1963-64. The additional revenue from increased traffic in 1964-65, over 1963-64, is estimated at Rs. 34·78 crores, excluding the effect of the freight rate adjustments now proposed, as against additional working expenses of about Rs. 24·34 crores excluding

the additional commitments not related to increased traffic. The increase in working expenses (Rs. 24·34 crores) is a reasonable proportion of the increases in revenue at 1963-64 rates (Rs. 34·78 crores). The contribution to the Depreciation Reserve Fund is provided at Rs. 83 crores, including the additional contribution of Rs. 10 crores approved by Parliament last year. After adding the estimate of net miscellaneous expenditure, provision has been made for dividend (or interest) payable to General Revenues at the higher rate of 5:75 per cent on the fresh capital for 1964-65. Allowing for the further payment of Rs. 12·5 crores in lieu of tax on passenger fares, for transfer to the States, the surplus in 1964-65 is estimated at Rs. 30·87 crores. This will be credited to the Development Fund. The expenditure chargeable to this Fund in 1964-65 being estimated at Rs. 33 crores, there will, in fact, be a small reduction in the balance in the Fund.

29. **Freight adjustment kept down to the inescapable minimum, through operational and other economies.**—All steps for economising in expenditure, eliminating waste and plugging loopholes for loss of revenue will be continued vigorously. The most significant economies, as the House will appreciate, are secured by sustained measures of improved operation and through maximising the utilisation of the Railways' principal assets as already explained. The Railway Freight Structure Enquiry Committee, 1957, before concluding that additional revenue by way of increases in freight rates was essential, went into the whole question of the Railways' operating efficiency. They indicated that, with about 13 per cent increase in capital since 1952-53, representing only about three per cent increase in the quantum of equipment, the Railways were able to lift more than 17 per cent of tonnage and obtain 26 per cent increase in net ton miles. The improvement has been even more striking since 1957. In spite of all these measures—and these will be maintained and accelerated,—it is not possible to achieve the minimum surplus of the order necessary, without recourse to the proposed measures of adjustments in goods freight rates which, as I have explained, are only marginal.

30. **Capital or Works Budget for 1964-65.**—The Budget Estimate for Works, Machinery and Plant and Rolling Stock, including 'Open Line Works—Revenue', for 1964-65, has been placed at Rs. 370 crores. The progressive stepping up of the annual Capital Budget is necessary, so that the Railways' Development Programme in the Third Plan may be fully implemented. The provision of Rs. 370 crores includes nearly rupees four crores for railway users' amenities. This will make up for some shortfalls in expenditure under this head in the earlier years of the Plan and will enable speedy completion of the programme of providing basic amenities at all stations. The details of the provision of Rs. 370 crores are given in the relevant portions of the Explanatory Memorandum on the Railway Budget.

MEASURES OF IMPROVEMENT IN OPERATIONAL AND ADMINISTRATIVE MATTERS

31. **Fuel economy.**—The need for conserving the limited resources of better qualities of coking coal in the country for the steel plants and the growing metallurgical industry has inevitably meant the operation of steam locomotives designed for burning selected grades of coal on coal of lower grades. As, however, the use of grade I and the still lower grades of coal tends to increase coal consumption, the Railways have had to rely on continuing measures of fuel economy to keep down the fuel

bill as much as possible. The House may recall that an inspection organisation was set up under railway control in 1962, to ensure that coal loaded by the collieries conforms to the specified grade for which payment is to be made by the Railways. This organisation has been built up progressively as qualified personnel have become available.

32. **Administrative reforms—eradication of corruption—disposal of complaints and grievances.**—The House is aware that the question of administrative reforms so necessary to ensure effective, expeditious and economical implementation of Plan targets is very much in the forefront. The linked question of having an adequate machinery to fight corruption and to deal effectively with complaints and grievances is also engaging the Government's attention. In these matters, the Railways, as a public utility service working on a commercial basis, had instituted several measures which are being progressively improved over a period of years.

Sardar Swaran Singh, in his Budget Speech last year, had referred to certain measures for achieving operational and administrative improvements. In this context I may mention that the Efficiency Bureau of the Railway Board has been continuing its study of the work-loads and the operating-*cum*-efficiency indices of the different zonal Railways. This is with a view to have data handy for any re-organisation that may be necessary at any time on operational administrative considerations or on considerations of improving the service to railway users. The Bureau has also conducted studies of some other important aspects of railway working, such as the utilisation of electric and diesel locomotives and periodical overhaul of wagons in railway workshops.

The Complaints Organisations set up on the zonal Railways and the counterpart in the Railway Board's Office have now functioned usefully for many years. So has the section in the Railway Board's Office dealing with grievances represented by staff or ex-staff, or on their behalf, to the Ministers and to the Railway Board.

In pursuance of the recommendations of the Enquiry Committee headed by Shri J. B. Kripalani, an already existing Anti-Corruption Organisation on the zonal Railways was strengthened and reorganised as the Vigilance Organisation. There is also a corresponding organisation, assisted by an independent Investigating Agency, under the direct control of the Railway Board. In 1962-63, the Vigilance Organisation on zonal Railways finalised enquiries in some 1,600 cases; departmental action against those found responsible was completed in most of these cases. The punishments awarded included several dismissals and removals, compulsory retirements and reductions to lower rank, apart from lesser penalties. Four private contractors were blacklisted for certain irregularities committed by them. In the same year, the Central Investigating Agency of the Railway Board dealt with 292 cases, out of which two were handed over to the Special Police Establishment and one hundred and eleven to the zonal Railways for departmental action. The timely intervention of vigilance staff, who pay attention also to remedial and preventive aspects, resulted in an amount of nearly rupees nine lakhs being saved for the Railways as demurrage and wharfage and through recoveries from contractors and others.

33. **Incentive scheme of payment by results.**—The incentive scheme of payments by results, introduced gradually in railway mechanical workshops during the last three years, is proving to be a reform in the right direction. It shows promise as regards feasibility of its adoption in certain other spheres of railway working. The scheme now covers 81

per cent of the staff who were to be brought within its ambit in 28 major workshops. With practically no increase in workshop staff in the last few years, there has been a substantial improvement in workshop production, enabling the workshops to handle the increased repair load and new lines of production. The average emoluments of the worker have increased and retrechment has been obviated. "Workshop committees" in eight major railway workshops—one on each zonal railway—, having functions of a more or less general character, have been replaced by "workshop productivity councils". These councils deal with specific productivity aspects of the workshops. Two representatives from each recoganised trade union, chosen in consultation with the unions concerned, are included on each of these councils.

34. **Railway Protection Force.**—I must also refer in this context to the Railway Protection Force, an organisation of the Railways which, during the few years in which it has functioned, has shown its increasing usefulness. The thefts of booked consignments as well as of carriage and wagon fittings and other railway materials from yards, workshops, stores and loco sheds have been controlled. The number of such thefts in 1962-63 was reduced appreciably below the number in 1959-60, notwithstanding the 22 per cent increase in the volume of freight traffic. The value of property recovered has also shown improvement. With the assistance of the State Police, the Force has been able to liquidate a few gangs of active criminals engaged in looting loaded wagons *en route*. Strict vigilance exercised by the Force on suspected personnel has led to a large number of persons being prosecuted. It may interest the House to know that dog squads for tracking criminals have been used with good results and have also been deployed to assist the Government Railway Police and the Civil Police. It would be appropriate here to refer also to the splendid performance, during the Emergency, of the Railway Protection Force personnel, who were augmented for this purpose by a special Emergency Force Reserve of six battalions. They guarded vulnerable points, areas and installations, especially on the Northeast Frontier Railway, to ensure safe movement of defence personnel and equipment. It is in the fitness of things that personnel of the Railway Protection Force have now been made eligible for the award of the 'President's Police and Fire Services Medal' and 'The Police Medal' for gallantry and meritorious services.

35. **Simplification of accounts procedures.**—A significant administrative reform, which is currently in hand, may be of some interest to the House. The rapid and progressive increase in the number and magnitude of the Railways' traffic and other financial transactions, over the last decade, has resulted in a more or less proportionate increase in the strength of the accounts checking and compiling staff. With the further heavy increases in traffic and other activities in sight, it was felt necessary to review and simplify procedures of accounting. Having regard to the heavy impact of increased traffic on station staff and on the traffic accounts offices, the procedures for accountal of earnings have received first attention. Several directives have already issued to Railways in the current year (1963-64), in consultation with the Comptroller and Auditor General where necessary. These aim at simplification of procedures and elimination of wasteful labour and unduly meticulous accounting. The Railways for several years have been using data-processing equipment for Statistics. Some changes in accounting are proposed to be introduced in the coming year by the integration of accounts and statistics through a more intensive use of the machines. With only a few extra machines, it will be possible to take over a proportion of

the arithmetical checks now being done manually by accounts staff. This will also reduce substantially the compilation work at the stations. There will, however, be no retrenchment, as the staff released by the changes in procedure will be utilised to handle the increasing volume of work resulting from the growing traffic. It is proposed to gradually extend simplification of procedures to other branches of the accounts department and to other departments of the Railways.

36. **Estimates Committee's Examination of certain Railway Estimates.**—Before I finish this outline of organisational and administrative improvements, I may refer to the Estimates Committee's recent study of the estimates of the Northeast Frontier Railway, the Chittaranjan Locomotive Works and the Integral Coach Factory. We await with interest the recommendations of the Committee.

RESEARCH, DESIGNS AND STANDARDS ORGANISATION (RDSO)

37. **RDSO—Liaison with National Research Institutions—Location.**—The Research, Designs and Standards Organisation, while largely concerned with problems special to railway operation, has continued to function in close coordination with the National Research Institutions in the country. It has been decided to shift the designs and standards sections now located in Simla to Lucknow. The entire organisation—excepting only the Chemical and Metallurgical wing at Chittaranjan—will be located in Lucknow, where the Research Centre and some design and standards sections are already located. The shift is being made in phases.

38. **Khosla Committee's Report—Bridges and Floods Wing of RDSO.**—The implementation by the RDSO of the short-term plan recommended by the Khosla Committee, in connection with determination of waterways and connected details of railway bridges, is practically complete; the long term plan is being processed with the Planning Commission and the Ministries concerned.

39. **Chemical & Metallurgical Wing of RDSO.**—Inexpensive acid and alkali-resisting paints suitable for locomotives and anti-corrosive primers and abrasion-resistant coatings for railway rolling stock have been developed from indigenous materials by the metallurgical and chemical sub-centre of the RDSO. Spheroidal graphite cast iron, as a replacement material for bronze bearing shells used for carriage and wagon axle boxes, has been successfully produced by the Research Centre of the RDSO from hot blast Cupola, instead of the conventional electric process, for the first time in the country. Action for setting up its commercial production in one of the railway workshops is in hand. This will reduce the Railways' dependence on the costly non-ferrous alloy "bronze", whose constituents are in short supply in the country. Methods for the refining of used lubricating oils, transformer oils, and axle oils have also been evolved by the RDSO and pilot plants started.

40. **Electrical and Mechanical Wings of RDSO.**—The first design developed in the country for a 25 KV alternating current motor coach—for use in suburban services in the Calcutta region—was evolved by the RDSO in collaboration with the Integral Coach Factory, Madras, and the two suppliers of electrical equipment for the coach. Prototype motor coaches have already been manufactured and are being tested out for operating performance.

41. **Civil Engineering and Signals Wings of RDSO.**—A start has also been made on a main line section towards basic research on the strength of track. This is necessary to evolve standards for the track structure suitable to carry the future intensive traffic on the main line and trunk routes. A new track-recording car for the broad gauge and a new dynamometer car for the metre gauge have been commissioned. A Joint Director, Safety Research, has been posted recently to carry out research into methods and equipment required to ensure safe operation of trains.

42. **Strengthening of RDSO (particularly Research).**—Proposals for strengthening the RDSO generally, and in particular the Research Wing, are under way.

TOWARDS SELF SUFFICIENCY

43. **Self sufficiency in steam locomotives—Production of electric locomotives—Chittaranjan Loco Works.**—The drive towards self sufficiency continues. The locomotive manufacturing unit at Chittaranjan has maintained and even slightly improved on its target of annual output of 168 WG freight type locomotives. It is also now turning out WP locomotives for fast mail and express passenger trains. Capacity is being developed for the manufacture of 72 electric locomotives per year in addition. The first alternating current (A.C.) broad gauge electric locomotive turned out from these works was commissioned recently by the Prime Minister. 21 direct current (D.C.) electric locomotives had been turned out earlier. During the entire Third Plan period, 100 to 110 AC electric locomotives are expected to be turned out, with electrical equipment partly imported and partly supplied by Heavy Electricals, Bhopal. The Steel Foundry being set up in the works, in collaboration with a well-known British firm, for a capacity of ten thousand tons of castings a year, has made good progress and has just commenced production.

44. **Telco-Metre Gauge steam locomotives.**—All the requirements of metre gauge steam locomotives in the Third Plan will be met by the production of the Tata Locomotive Works, under the existing agreement between the Government and the Company extending up to 31st March, 1966. The Railway Board are currently examining what arrangements with the Company will be necessary for supplies of steam locomotives beyond the Third Plan period.

45. **Diesel Locomotive Works, Varanasi.**—The Diesel Locomotive Factory being set up at Varanasi took a significant step, when the first locomotive, assembled from imported components, was recently commissioned by Shri Lal Bahadur Shastri. Practically all the machinery required for the factory has been ordered and many of the shops are ready to receive machinery as it arrives. The factory expects to turn out two more broad gauge main line diesel locomotives in the current year, and 25 more such locomotives and a few diesel shunters in 1964-65.

46. **Integral Coach Factory, Madras.**—The Integral Coach Factory has been progressively intensifying second shift working. As a result, its capacity has increased and the out-turn at present is about 600 broad gauge shells a year equivalent to 650 in terms of standard broad gauge third class. The target of 700 shells is expected to be reached during 1964-65. The permanent Furnishing Unit attached to the factory has facilitated the equipping of the out-turn of shells with the necessary ancillary fittings. This has released capacity in other railway workshops, which were previously doing this work of "furnishing", for the increased

quantum of their normal repair and other load. From 1964-65 onwards the furnishing unit will furnish all the shells produced in the shell factory. The production in the Integral Coach Factory has been diversified to include electric multiple unit coaches and metre gauge coaches. The manufacture of broad gauge electric multiple unit trailer coaches is being done on a regular schedule. Over 150 such coaches have already been completed. The regular manufacture of motor coaches, of which two prototypes have been turned out, will be taken in hand after the prototypes have been tested. It is expected that 162 more broad gauge trailer coaches and 26 broad gauge motor coaches (including the two prototypes) will be manufactured by 31st March 1965. The production of metre gauge A.C. electric multiple coaches in the Integral Coach Factory is also being planned.

47. **H.A.L. and private sector supplementing I.C.F's outturn of coaches, including electric coaches for suburban services.**—The Hindustan Aircraft Ltd., Bangalore (H.A.L.) and the private sector together have continued to supplement the out-turn of the Integral Coach Factory in the matter of providing coaching vehicles. H.A.L. is now turning out some 230 to 240 broad gauge passenger coaches a year on the average of Jessops' out turn of metre gauge passenger coaches, at present in the neighbourhood of 220 coaches a year, is expected to increase to 278 in 1964-65. They are producing, in addition, Direct Current electric multiple unit coaches for which capacity has been developed to the extent of six to seven coaches a month. 56 electric multiple unit coaches have been delivered against the first order for 100 such coaches and a further order for another 100 coaches has been placed.

48. **Indigenous production of mechanical signalling and all other railway equipment—steady decrease in imports.**—All mechanical signalling equipment is now being manufactured indigenously. Some components of electric signalling are also being manufactured in the country and there are plans for expansion in this field. Through sustained efforts there has been considerable increase in the indigenous manufacture of all kinds of railway equipment, including track materials and bridge girders. This has resulted in a steady decrease in the purchase of imported materials from 30·03 per cent of total railway purchases in 1951-52 to 14·27 per cent in 1962-63 and consequent proportionate saving in foreign exchange.

49. **Development Cell.**—In the task of development of indigenous capacity for railway equipment, the Development Cell of the Railway Board has continued to function in close co-ordination and liaison with the Department of Technical Development and other government departments and with representatives of the industries concerned. Steps have been taken to develop adequate capacity in the country for a number of additional rolling stock components, including ancillaries and spare parts required for diesel and electric locomotives and electric multiple units, as well as overhead traction fittings.

50. **Promotion of Export of Railway Equipment.**—A reference was made by my predecessor last year to the export of some items of track fittings, rolling stock components and train lighting equipment. The scope for increasing such exports and for exporting also complete rolling stock, like freight wagons and passenger coaches, is being actively pursued in closed liaison with the Ministry of International Trade and the Indian Missions abroad.

IMPROVEMENT OF SERVICE TO THE CUSTOMER

51. **Provision for railway users' amenities in 1964-65.**—I have already made a brief reference to an increased allocation next year of nearly rupees four crores for railway users' amenities, to step up the programme of providing basic amenities at all stations. While keeping within the overall allocation for this purpose in the Third Plan, this means an increase over the allotment in any previous year for this purpose.

52. **Electrifying of railway stations.**—The electrifying of stations, wherever power is available at reasonable rates, has proceeded steadily. At the end of 1963-64, the total number of stations electrified on the Indian Railways will be nearly 3,000, out of a total of about 6,700 stations.

53. **Problem of overcrowding.**—I am conscious of the imperative need to eliminate over-crowding in trains. According to the periodical census of third class occupation in non-suburban trains, the percentage of over-crowding was reduced from 14:6 per cent in 1961 to 13·8 per cent in 1962 on the broad gauge and from 15 per cent in 1961 to 14·5 per cent in 1962 on the metre gauge. I am, however, not satisfied with the small reduction achieved so far. I can but assure the House that the Railways are taking all possible steps to ease overcrowding in trains within the resources available after giving due priority to freight traffic in the number of passenger-carrying vehicles during the first two years of the current Plan, other than additions made to electric multiple unit coaches in Bombay, Calcutta and Madras suburban areas, was 7·54 per cent, as against less than 4 per cent overall increase in the number of non-suburban passengers over the same period. The very much higher rate of increase of suburban passenger traffic, particularly in Bombay, Calcutta and Madras, is being served to the maximum extent possible in various ways, as I explained while outlining the progress of the Third Plan. I may mention that even here the Railways provided, over these two years, 8 to 10 per cent more of passenger services in terms of train and vehicle kilometres and seat and standing accommodation kilometres; the increase in the number of passengers in the electric suburban areas, however, rose to a little more than 20 per cent.

54. **Monthly season tickets in suburban areas.**—While on the subject of suburban passenger traffic, I may refer in passing to the very low charge that is made for monthly season tickets. The advantage of a low charge is even more so for suburban ticket holders in Bombay, Calcutta and Madras than elswhere. Even as between these three suburban areas there are differences in the charges. The monthly third class charge in these areas is equivalent to the mail fares for 18 to 9 single journeys, with the benefit of a taper as distances increase; in other cities there is no such taper. The Railways have to incur large expenditure in dealing with the heavy suburban season ticket traffic in the three areas, which accounts for about 30 per cent of the total journeys by passengers on the Indian Railways as a whole. The season ticket charges were revised, for the first time, after 1948, only in 1962; even the passenger fare tax levied in 1957 did not apply to these charges. The increase in 1962 was limited to about five per cent, against a higher increase averaging about 10 per cent in other passenger fares. The question of what adjustments are necessary in the basis of charge for season tickets is a matter which requires examination.

55. **Additional or extended trains in current year.**—During the first seven months of the current year, 59 non-suburban new trains were introduced—41 on the broad gauge, 16 on the metre gauge (including a

pair of metre gauge Janata Express trains between Madras and Madurai) and two on the narrow gauage—involving an addition of 7,195 train kilometres daily in the aggregate. In suburban services, 23 new board gauge trains have been introduced involving 607 additional train kilometres per day. There have also been extensions, in the runs, of existing trains—26 on the broad gauge and 19 on the metere gauge—making up an additional 1,899 train kilometres daily. The runs of 18 existing suburban trains have also been extended, giving an additional 224 train kilometres per day. As one of the measures to carry more passengers in each train, the loads of 208 train services—114 on the broad gauge and 94 on the metre gauge—have been augmented as a regular measure in the current year. 826 special trains—430 on the broad gauge and 396 on the metre gauge—have been run to clear extra traffic during melas and festivals.

56. **Amenities in trains—sleeper accommodation.**—As regards the provision of amenities in trains, the number of third class sleeper coaches has been steadily increased. At present there are 196 two-tier sleeper coaches and 187 three-tier sleeper coaches on 46 pairs of broad gauge trains and 54 two-tier coaches and 168 three-tier coaches on 40 pairs of metre gauge trains. The Railways plan to construct 145 more third class sleeper coaches on the broad gauge and 150 more of such coaches on the metre gauge during the remaining period of the Third plan. This will be increased further to the extent possible, as there is a growing appreciation of, and demand for, the extension of this facility. Many of these sleeper coaches are also used as slip coaches for through passengers. In order to overcome certain difficulties expressed regarding the length of berths in the metre gauge three-tier sleeper coaches, a new design has been evolved and will be taken up for construction shortly. Ten second class sleeper coaches have been introduced on an experimental basis on a few trains. This facility, which appears to be generally appreciated, will be gradually extended to all important trains.

57. **Provision of fans in third class coaches.**—As the House is aware, all new third class coaches are fitted with fans. In addition, nearly 3,200 fans were fitted, in 1962-63, in 410 old coaches, as and when these coaches came into workshops for periodical overhaul or other repairs.

58. **Punctuality.**—The overall punctuality of passenger trains in the current year, as compared to the corresponding period of the previous year, has improved. I have impressed on railway administrations the importance of further improving on the performance.

59. **Catering.**—Likewise I have suggested sustained attention to improving the quality of departmental catering which now obtain at 95 stations and on 24 pairs of trains. The improvement to be aimed at will be both by way of service and quality of food.

60. **Accidents Committee's Report—Towards safer travel.**—The Railway Accidents Committee have submitted their final report. Copies thereof, together with the comments of the Railway Board on the observations and recommendations of the committee, have been placed on the table of the House. I would invite Honourable Members to join me in paying a special tribute to the Committee and to Dr. Kunzru, its Chairman, who, in spite of indifferent health, gave himself unstintingly

to this work. Steps are benig taken to implement as many recommendations as possible to ensure a safe and secure service to the rail users. Happily, the incidence of train accidents having risk potential has exhibited a declining trend.

61. **Reducing incidence of accidents at unmanned level crossings.**—While on the subject of accidents, I may refer particularly to accidents at level crossings. It should be appreciated that it is neither practicable, nor obligatory under the Indian Railways' Act, to man every one of the 19,000 and more unmanned level crossings in the country. Nor is this done in any other country. In the circumstances it was considered by my predecessor reasonable and equitable that the incidence of cost of manning selected level crossings, where there has been a growth of road traffic, should be shared equally between the Road Authority and the Railway. As the House is aware, this formula of apportionment on 50·50 basis was accordingly put forward by him to Chief Ministers of States and it found favour with the Accidents Enquiry Committee and also generally with the Press. Honourable Members will readily agree that it is for the users of the road to exercise reasonable care and vigilance in crossing railway track at level crossings if accidents are to be avoided and that the Railways have gone to the maximum length in offering to assume half the financial liability. It has even been suggested that the Road Authorities, in the alternative would be exempted from meeting any share of the recurring expenditure if they pay the full initial cost. Most of the State Governments have signified acceptance of the principle of sharing costs and in these cases the Railways have been directed to proceed with the manning without waiting for other formalities being satisfied.

The Railways have also been instructed to provide 'STOP' sign on the approach roads on either side of *every* unmanned level crossing at suitable points near the railway land boundary. Such signs will be erected whether Road Authorities have put up any road signs or not.

62. **Obviating detentions to road traffic at level crossings—Provision of over/under bridges.**—I should also mention at this stage that Railways have recently been addressed to check up on the working of automatic warning bells, where provided at manned level crossing, to see if these have been effective in reducing detentions to road traffic. Concern has been expressed from time to time by Honourable Members of either House in regard to the need for replacement of level crossings at different places by overbridges or underbridges. The position has been explained on several occasions but the House may like to have an elucidation of this important matter once again. The position briefly is that, when the provision of a bridge—either in replacement of a level crossing or otherwise—is necessitated by the growth of both railway and road traffic, the Railway will bear the cost of the bridge proper, while the Road Authority will bear the cost of the sloping approaches and the extra width of the bridge such as may be required by the Road Authority. The Railways, in fact, have gone to the extent of assumnig financial liability for a minimum width of such bridges of 24 feet even where the width of the level crossing replaced is less than 24 feet.

63. **Container service and other improvements for freight service.**—One significant measure in regard to improving service for freight traffic, which will interest the House, is the proposal to introduce, experimentally and in a limited way, 'Container Services' on the lines of those offered by other industrially advanced countries in Europe and

America. Door to door service will be provided between a few selected cities, to begin with, by conveying goods in large unit loads from the premises of a consignor at the forwarding station to those of the consignee at the destination station. This would eliminate intermediate manual handling of individual packages, reduce the incidence of damage and contribute to a reduction in packing costs.

64. The Railways also continue to take various measures for improving their freight services, like the running of 'quick transit' services, opening of out-agencies and city booking agencies and introduction of street collection and delivery services in major cities.

65. **Interim payments to claimants for compensation in connection with accidents.**—It will not be out of place to refer in this context to a proposal to amend the Indian Railways' Act to enable Railway Administrations to make interim payments speedily to claimants for compensation in respect of death or personal injuries. These payments will be subject to adjustment against what may be awarded later by the Claims Commissioners appointed under the Act.

RAILWAY FREIGHT CONCESSIONS FOR EXPORT—TRAVEL CONCESSIONS

66. **Export concessions.**—As the House is aware, several export commodities were already enjoying rail freight concessions ranging from five per cent to 50 per cent. From 1st January, 1964, a rebate of 25 per cent in railway freight has been allowed to 65 more commodities, comprising products of the engineering industry, for movement from any station to any port for export. I may also refer in this context to the introduction of low wagon rates for the movement of bananas from certain stations on the Central and Western Railways to Bombay Port for export.

67. **Travel concessions.**—In the context of the national emergency and with a view to relieve pressure on rail accommodation, a number of concessions had been withdrawn from 1st January 1963. After further review, it has been decided to grant concessions, in special cases to persons attending the annual conferences of all-India bodies of educational, cultural, social and technical importance, as well as conferences of national significance.

ERADICATION OF TICKETLESS TRAVEL AND OTHER MALPRACTICES

68. **Ticketless Travel.**—The evil of ticketless travel has not shown any significant decline in spite of sustained measures to combat this menace. In this, as in many other matters, public conscience and social awareness have to be aroused. This can be achieved only through the sustained and whole-hearted co-operation of the Honourable Members, State Governments and public leaders.

69. **Legislation to curb the malpractice of transfer of ticket and reservation.**—Complaints have been received that, in certain cities, tickets for rail journeys are purchased and seats or berths are reserved in railway trains by persons other than bonafide passengers. This is with the motive of subsequently making them over unauthorisedly to others for wrongful gains. Since these malpractices, apart from anything else, cause hardship and inconvenience to genuine passengers, a bill has been introduced seeking to amend the Indian Railways Act. This legislative

measure will prohibit the transfer of a ticket against which reservation of a seat or berth has been made and will, I hope, act as a curb.

NON-OFFICIAL CONSULTATIVE COMMITTEES

70. **Consultative committees.**—I acknowledge gratefully the valuable assistance received by the Railway Administrations from the various advisory committees at the different levels and from the Honourable Members serving on these Committees. We are now furnishing written statements to the Honourable Members concerned serving on the Informal Zonal Parliamentary Consultative Committees, in advance of the meetings, indicating the action taken on the suggestions made by them in earlier meetings. This slight change in the procedure meets the wishes expressed by certain Honourable Members, without entailing any formal correspondence and without altering the informal character of the meetings, which is so useful.

STAFF MATTERS AND STAFF WELFARE—TRAINING—AWARDS FOR GOOD WORK

71. **Continuing measures of improvement in service and living conditions.**—In the context of a social welfare state, and particularly as the largest single employer, the Railways have adopted continuing measures to improve the working and living conditions of staff. The House is aware of the measures of social security recently sanctioned by the Government, by way of improved family pension and increases in lower rated pensions, benefits which the railwaymen will share with other Central Government employees.

72. The number of staff employed on the Indian Government Railways is just over 12·12 lakhs. The cost of the staff is about 60 per cent of the total revenue working expenses, which is more or less of the same order as obtains on the Railways in a number of more advanced countries. Staff expenditure thus comprises the largest single item of expenditure and the Railways are conscious that the staff must be looked after and encouraged to give of their best in return.

73. **Medical and health measures.**—Besides steadily expanding medical facilities, the preventive aspect of health of employees is also being looked after. The National Malaria Eradication Scheme and Small Pox Eradication Programme have been carried out, in collaboration with the States, on the basis of schemes formulated by the Ministry of Health. The Family Planning Programme is being substantially developed and enlarged on lines indicated by the Ministry of Health. The House will be happy to note that the Railway Accidents Committee, in their recent report, have recorded their impression that the medical facilities both in scale and quality, on the Railways are second to those of no other organisation in India.

74. **Housing.**—Nearly 4,26,000 railwaymen were housed in Railway quarters at the end of 1962-63, representing more than a third of the total staff strength. Within the resources available in the Plan, for this purpose, about 11,000 additional quarters on the average are being provided every year and improvements are also being carried out to existing quarters of the old type.

75. **Schools, Subsidised Hostels, Holiday Homes, Scholarships, Women's Handicraft Centres.**—Educational facilities for employees' children have progressively increased. There are now 652 Primary Schools for the

education of chilldren of railway employees and 63 schools for secondary and higher education. Subsidised hostels for the children of railway staff at important educational centres, for the benefit of staff who are transferred away elsewhere as well as holiday homes for railway staff and their families continue to be extensively availed of. The House is aware of the scheme for awarding 1,000 scholarships every year from the Staff Benefit Fund, for the technical education of railway employees' children. This scheme costs approximately Rs. 10 lakhs every year. Handicraft Centres, which are also financed from the Staff Benefit Fund and provide training for women members of Railwaymen's families in various handicrafts, are given encouragement by placing orders on them for the fabrication of simple articles of stationery and clothing required by the Railways. This supplements the income of railway families and adds to their welll being.

76. **Training**.—Adequate training of staff in different categories in the context of the increasing workload, continues to receive sustained attention. "In-plant" training facilities exist on the different Zonal Railways and Manufacturing Units. There are in addition a number of central training institutions. I may refer to the Railway Staff College, Baroda, for gazetted officers, the Training Centre at Jamalpur for apprentice Mechanical Engineers, Advanced Permanent Way Training School, Poona, the Indian Railway School of Signal Engineering and Telecommunications, Secunderabad, Diesel Training Centre, Gaya, and the Loco Training School for Operation and Maintenance of A.C. Electric Locomotives at Asansol. The Railways also continue to take advantage of the offer of training facilities abroad, extended under the various technical aid plans or by foreign Governments and agencies.

77. **Workers' Education Centres.**—Facilities continue to be afforded to the Railway employees for undergoing training in different Workers' Education Centres. The number of employees volunteering for this training is encouraging and is an indication of a desire for intelligent participation in union affairs and better performance of duties.

78. **Awards for good work—Free "Educational tour on wheels."**—The House may be interested to know that recently I decided, as an experimental measure, that some deserving workshop employees with outstanding record may be selected for going round the country, with their families, on an organised tour. One such party has started on their tour. The facility of a sleeper coach for the entire tour has been provided and a senior welfare inspector has been deputed to accompany the party. There are already several recognised awards for good work. I felt that an award in this new shape, of a free "Educational tour on wheels", will acquaint the railway workers with industrial advancement in different parts of the country and the comparative conditions of work in various units. The scheme, besides contributing to national integration, will develop in the workers an added sense of national pride and pride in their own work as part of their contribution to the nation.

LABOUR RELATIONS

79. **P.N.M. Meetings with the two Federations.**—Six quarterly meetings of the Railway Board were held during 1963 with the two Federations, under the Permanent Negotiating Machinery, at which several important decisions were taken. The relations with railwaymen have continued to be cordial and harmonious on the whole.

80. **Joint Committees of Officers and Staff.**—The number of joint Committees of officers and staff at various levels on the Railways increased to 480, during 1963, and served as a useful medium to enlist the co-operation of the staff in suggesting ways and means of improving operational and administrative efficiency and securing economy.

EXTRA CURRICULAR ACTIVITIES

81. **Sports.**—Railwaymen have maintained their excellent record in the field of sports. The Railways won the national championships in hockey, volleyball, boxing, kabaddi, water polo, table tennis (women), bandminton (women), senior and junior weight-lifting. They were the runners .up in swimming and secured third place in basketball, cycling, football and wrestling. Twelve railwaymen had the privilege of representing the country as members of the Indian contingents in various international events held during the year 1963. Two sportsmen from the railways were the recipients of Arjuna Award during the year.

CONCLUSION

82. **Role of Railways and railwaymen in the present context.**—The Indian Railways constitute the biggest national undertaking. Important always as constituting the major transport system in the country, they have had to assume added responsibilities in a defence-oriented economy and during a period of continuing Emergency. Last year my predecessor made a special reference to the ready and spontaneous response of railway workers when overtaken suddenly by the Emergency. We have in the Railways an organisation qualified and eager to serve the nation, one of which I venture to state the country could well be proud notwithstanding certain shortcomings of which I am only too conscious. I have no doubt that, with the increasing tempo of work before them in the years ahead, the Railwaymen will rise to yet greater heights of performance. In my stewardship of this vast undertaking I look to the Parliament and the members of the public for support and encouragement. Before I conclude, I am sure the House will wish to join me in paying a warm tribute of appreciation to the vast army of Railwaymen of all levels, who are maintaining, operating and administering the Indian Railways and who have been giving such a good account of themselves.

EXPLANATORY MEMORANDUM ON THE RAILWAY BUDGET FOR 1964-65

PART I—REVENUE

SUMMARY OF THE FINANCIAL RESULTS OF THE RAILWAY UNDERTAKING

(In crores of rupees)

SURPLUS

Summary of financial results

1962-63	42·06 (Actuals)
1963-64	37·75 (Revised Estimates)
1964-65	30·87 (Budget Estimates)

FINANCIAL RESULTS OF THE YEAR 1962-63

2. **Receipts—1962-63 & 1961-62.**—The table below shows the details of the Gross Traffic Receipts for 1962-63, according to the final accounts, in juxtaposition with the Revised Estimate for that year and the actuals of the earlier year (1961-62):—

(In crores of rupees)

	Actuals, 1961-62	Revised Estimate, 1962-63	Actuals 1962-63
Passenger Earnings—			
Upper	17·55	19·30	20·36
Third	133·33	147·95	148·83
Other Coaching Earnings	29·10	31·50	32·54
Goods Earnings	306·90	337·55	349·52
Sundry Other Earnings	13·61	14·50	16·68
TOTAL	500·49	550·80	567·93
Suspense	+0·01	—1·18	—1·14
Gross Traffic Receipts	500·50	549·62	566·79

3. **Revised Estimates of Receipts—1962-63 and later actuals.**—The final figures of Traffic Receipts for 1962-63 turned out to be higher, by 17·17 crores (about 3 per cent), than the Revised Estimate for 1962-63. This increase was made up of (i) 1·94 crores under Passenger Earnings, (ii) 1·04 crores under "Other Coaching" Earnings, (iii) 11·97 crores under Goods Earnings, (iv) 2·18 crores under Sundry and Other Earnings, as well as a minor decrease in unrealised earnings (Suspense) to the extent of four lakhs. The increase in the Gross Traffic Receipts, over the Revised Estimate, was mainly due to (1) the improvement, particularly in goods traffic, attributable to spurt in traffic during the last months of the year 1962-63, after the Emergency, the tonnage lifted in the months of January, February and March 1963 being 19·3 per cent, 15·7 per cent and 11·2 per cent more respectively, than what was lifted in the corresponding months of the earlier year and (2) the relative preponderance in the movement of high rated commodities.

4. **Ordinary Working Expenses 1962-63 & 1961-62.**—The gross amounts under the various grants of Working Expenses for 1962-63 are compared, in the table below, with the Revised Estimate, and with the actuals of the earlier year:—

(In crores of rupees)

	Actuals, 1961-62	Revised Estimate, 1962-63	Actuals, 1962-62
Grant No. 4.—Administration	37·72	41·51	41·02
Grant No. 5.—Reparis and Maintenance	119·45	132·99	132·92
Grant No. 6.—Operating Staff	73·71	82·73	82·34
Grant No. 7.—Operation (Fuel)	78·54	86·32	87·16
Grant No. 8.—Operating other than Staff and Fuel	25·08	28·62	28·41
Grant No. 9.—Miscellaneous Expeness	32·00	34·27	33·75
Grant No. 10.—Labour Welfare	10·49	12·30	12·14
TOTAL	376·99	418·74	417·74
Credits or recoveries	—51·66	—55·60	—55·36
NET	325·33	363·14	362·38

5. **Revenue Working Expenses 1962-63 (Grantwise).**—The Ordinary Working Expenses (Gross) for the year 1962-63, which came to 417·74 crores, showed a saving of one crore only, or about less than a quarter of one per cent, from the Revised Estimate figure of 418·74 crores. This decrease consisted of 49 lakhs, or about one per cent, under Grant No. 4—Administration; 7 lakhs, or about less than a quarter of one per cent, under Grant No. 5—Repairs and Maintenance; 39 lakhs, or about less than half of one per cent, under Grant No. 6—Operating Staff; 21 lakhs, or about less than three quarters of one per cent, under Grant No. 8—Operation other than Staff and Fuel; 52 lakhs, or about half of one per cent, under Grant No. 9—Miscellaneous Expenses; and 16 lakhs, or about one and a quarter per cent, under Grant No. 10—Labour Welfare; partly offset by an increase of 84 lakhs, or about one per cent, under Grant No. 7—Operation (Fuel).

The credits or recoveries, which are taken outside the Grants as reduction of expenditure, fell short by 24 lakhs, as compared to the anticipations in the Revised Estimate.

6. **Revenue Expenses 1962-63 other than Ordinary Working Expenses.**—Payments to worked lines came to 14 lakhs—the same as was provided in the Revised Estimates. The net Miscellaneous expenditure (*i.e.* taking miscellaneous receipts in reduction) was 96 lakhs less than the anticipations in the Revised Estimate, mainly due to (i) the fortuitous increase under Miscellaneous Receipts by about 18 lakhs, which was chiefly on account of more staff, than anticipated, electing the pension scheme of retirement benefits in lieu of the State Railway Provident Fund Scheme by which they were previously governed; this resulted in a large quantum of Government contribution in the State Railway Provident Fund Accounts reverting to Government, (ii) reduced expenditure on works

chargeable to Revenue, to the extent of about 82 lakhs, as a result of re-adjustment and rephasing of certain works, according to actual requirements, partly offset by aggregate of minor variations in other items of Miscellaneous expenditure (4 lakhs).

7. **Depreciation provision during 1962-63.**—The Appropriation to Depreciation Reserve Fund, as provided both in the Budget and the Revised Estimates, was 67 crores, conforming to the provision for this year according to the year-wise appropriation recommended by the Railway Convention Committee, 1960, for the Third Plan period.

8. **Net result of revenue transactions in 1962-63.**—The aggregate effect of the aforesaid variations, together with the reduction in Revenue Working Expenses referred to earlier, was that the Net Railway Revenue, *i.e.* before payment of dividend to General Revenues, exceeded the Revised Estimate figure of 104·43 crores, by 18·89 crores. The Dividend to General Revenues came to 68·76 crores *i.e.* a minor increase of about 3 lakhs, due to normal variations in the final figures of actual Capital Outlay, from the earlier estimate. The final result of all the variations was an increased surplus of 42·06 crores, that is, an increase of 18·86 crores, over the Revised Estimate anticipation of a surplus of 23·20 crores, of which an amount of more than 17 crores was due to increased traffic receipts resulting particularly from the large improvement in traffic lifted in the closing months of the year, over the Revised Estimate forecast. The surplus was credited in full to the Development Fund as usual.

9. **Funds—balances, 1962-63.**—The Railway Depreciation Reserve Fund (D.R.F.) opened with a balance of 29·19 crores. On the basis of the recommendations of the Railway Convention Committee, 1960, taking effect from the year 1961-62, which fixed the year-wise appropriation from the revenues of the zonal Railways, for the period 1961—66, this Fund received a contribution of 67 crores from Railway Revenues for 1962-63. In addition, 1·09 crores accrued from the Chittaranjan Locomotive Works and the Integral Coach Factory, and 93 lakhs as interest on the balance, making a total of 98·21 crores. Against this, there was a withdrawal of 75·37 crores, leaving a closing balance of 22·84 crores at the end of 1962-63.

Development Fund.—The Railway Development Fund opened with a balance of 10·49 crores. This balance was reduced by 40 lakhs as a result certain adjustments from Capital and D.R.F. to the Development Fund. The effective opening balance stood at 10·09 crores. The fund received an appropriation of 42·06 crores, representing the surplus of the year, and 70 lakhs as interest on balance, making a total of 52:85 crores. Against this, there was a withdrawal of 23·17 crores, leaving a closing balance of 29·68 crores at the end of 1962-63.

Revenue Reserve Fund.—The Revenue Reserve Fund opened with a balance of 55·37 crores. There was no appropriation to, or withdrawal from, the Fund during the year. With a credit of 2·02 crores on account of interest on the Fund balance, the Fund closed with a balance of 57·39 crores at the end of 1962-63.

10. **Summary of Financial Results, 1962-63.**—The principal financial figures for the year 1962-63 are shown in the table below, in juxtaposition

with those of the Revised Estimate of that year and the actuals of the earlier year:—

(In crores of rupees)

	Actuals, 1961-62	Revised Estimte 1962-63	Actuals, 1962-63
Gross Traffic Receipts	500·50	549·62	566·79
Ordinary Working Expenses	325·33	363·14	362·38
Appropriation to Depreciation Reserve Fund	65·00*	67·00*	67·00*
Payment to worked Lines	0·18	0·14	0·14
Net Traffic Receipts	109·99	119·34	137·27
Net Miscellaneous Expenditure	10·24	14·91	13·95
Net Revenue	99·75	104·43	123·32
Payments to General Revenues			
(*i*) Dividend to General Revenues	62·85	68·73	68·76
(*ii*) Payment in lieu of tax on Railway Passenger Fares	12·50	12·50	12·50
Surplus	24·40	23·20	42·06
Operating Ratio	78·0%	78·3%	75·8%
Capital at-charge	1,682·98	1,885·56	1,897·87
Ratio of net revenue to Capital-at-charge	5·9%	5·5%	6·5%

*Represents depreciation provision made from Revenue. The Depreciation provision in respect of the manufacturing units, under the extant procedure, is charged to Workshop Manufacture Account (Capital).

REVISED ESTIMATES, 1963-64

TRAFFIC RECEIPTS

11. **Revised Estimates of Receipts for 1963-64 compared with Budget Estimates.**—The Revised Estimate of traffic receipts is placed at 622·22 crores, an increase of 22·53 crores over the Budget Estimate of 599·69 crores—made up of increases, over the Budget Estimate, under passenger, goods and sundry earnings.

Passenger Earnings.—In the Budget Estimate, passenger earnings were placed at 172·50 crores. There has been some rise in the passenger traffic over the budget anticipation; as a result, the Revised Estimate of passenger earnings, of 180·03 crores, provides for an increase of 7:53 crores.

Other Coaching Earnings (Parcels, etc.).—Other coaching earnings in the Revised Estimate have been kept at the same level as in the Budget Estimate, *viz.*, 34·80 crores, in conformity with the present trends in parcel traffic.

Goods Earnings.—Even though there are significant shortfalls, on the Budget anticipations due to slump in the demands in traffic, under coal, export ore and raw materials for the steel plants this is expected to be partly made up by compensating traffic in higher-rated categories of general goods, which has been higher than was envisaged in the Budget. In the result, the Revised Estimate of goods *earnings* is placed at 12·66 crores more than the Budget. The overall increase in originating *tonnage* of freight traffic in the current year, over last year, however, is now expected to be barely 15 million tonnes, against the budget anticipation of an increase of 17 million tonnes.

Sundry Earnings.—An increase of 2·38 crores has been allowed for under Sundry earnings, over the Budget Estimate of 14·50 crores, on the basis of the trend of receipts under this head. Providing for a small increase of four lakhs in the net unrealised earnings held under Suspense, the Revised Estimate for Gross Traffic Receipts for the current year 1963-64 is placed at 622·22 crores.

Revised Estimates of Receipts, 1963-64 analysed.—The details of the Revised Estimate of Gross Traffic Receipts for the current year are compared, in the table below, with the Budget Estimate for this year and the actuals of the previous year (1962-63):—

(In crores of rupees)

	Actuals, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64
Passenger Earnings—			
Upper	20·36	20·04	**21·55**
Third	148·83	152·46	**158·48**
Other Coaching Earnings	32·54	34·80	**34·80**
Goods Earnings	349·52	379·00	**391·66**
Other Sundry Earnings	16·68	14·50	**16·88**
TOTAL EARNINGS	567·93	600·80	**623·37**
Suspense	—1·14	—1·11	**—1·15**
Gross Traffic Receipts	566·79	599·69	**622·22**

WORKING EXPENSES

12. **Budget grant for working Expenses and its modifications by previous Supplementary Demands.**—The total Budget Grant (Gross) for Ordinary Working Expenses, for the year 1963-64, was 433·76 crores. Supplementary Grants under Demand Nos. 4 and 7, aggregating to 2·33 crores, were voted by the Parliament in April, 1963, to cover, *inter alia*, the following:—

(i) Under Demand No. 4, the token provision of one thousand, towards the expenses of the Railway system in Goa taken over from the Port authorities, brought specifically to Parliament's notice as being in the nature of a "new service"; and

(ii) Under Demand No. 7, to cover just the effect of post-budget enhancements in the prices of coal from 1st March, 1963 and 1st April, 1963.

Revised Estimates of Working Expenses 1963-64 compared with Budget.—The voting of the aforesaid Supplementary Demands resulted in a modified grant of 436·09 crores for Ordinary Revenue Working Expenses (Gross). The Revised Estimate, based on the latest anticipations, is 452·01 crores, involving an increase of 18·25 crores over the original *Gross* Budget, or an increase of 15·92 crores over the modified grant. The increase of 15·92 crores, over the modified grant, is analysed below:—

(i) 5·56 crores under various items of staff expenditure, made up of (a) an amount of 3·50 crores representing lumpsum provision to cover the increase, during 1963-64, in the rates of dearness allowance to lower graded Central Government employees and payment of City Compensatory and House

Rent allowances at higher rates from 1st January, 1964, consequent on the reclassification of certain cities and (b) 2·06 crores on account of provision for increase in the rates of mileage and overtime allowances and liberalisation of night duty allowances to the operating staff, as well as increased provision, actually found necessary, for payment of retirement benefits, and to meet the increase in the cost of drugs, medicines and diet materials used for the hospital and outdoor treatment of staff and their families;

(ii) 4·67 crores under 'Repairs and Maintenance' of Railway assets (Demand No. 5), to cover increased expenditure under maintenance of track, particularly necessary in the context of ensuring maximum safety to running trains, and requirement actually found necessary for the maintenance of additional mileages of tracks, yards, etc., taken over, after completion, the precise extent of which could not be foreseen in the Budget, and increase in the prices of various materials used in repairs;

(iii) 3·63 crores under 'Fuel' (over and above the effect of increases in price of Coal operative from 1st March, 1963 and 1st April, 1963), to cover the increase in the price of diesel oil consequent on the levy of increased excise duty on diesel oil and increase in the rate of Central Sales Tax on coal, after presentation of Railway Budget, apart from normal variations in the requirements under Steam and Diesel Traction based on actual trends; and

(iv) 2·06 crores under 'Other Operating and Miscellaneous Expenses', due to increases in the prices of a variety of materials used in the course of Railways' operation, and the actual requirements, according to latest evaluation, of expenditure on continuing measures arising out of the Emergency, particularly on the Northeast Frontier Railway,—and increased requirements for imported materials, apart from the normal variations under transactions routed through Suspense.

13. **Revised Estimates of Ordinary Working Expenses, 1963-64 compared with Budget—Demand-wise.**—The variations of the Revised Estimate for the current year, 1963-64, from the original Budget Estimate for the year, under each of the Revenue Working Demands 4 to 10, are explained below in some further detail:—

Demand No. 4—Administration.—The small modification of the original budget grant under this head was by way of a Supplementary Grant of a token sum of one thousand; this was obtained in April, 1963, to bring specifically to Parliament's notice, as a "New Service", the taking over of the Railway system in Goa by the Railway Board, from the Port Authorities, and the consequential inclusion of expenditure thereon as part of the Railways' Estimates of expenses. Over the grant so modified, there is an increase of 183·41 lakhs, mainly on account of transfer of provision from Demand No. 5, decided upon after the Budget, in consultation with Audit. This pertains to the cost of administrative (clerical) staff in the offices attached to workshops on certain Railways; such expenditure, instead of being charged to Administration—Grant No. 4, was being charged to Grant No. 5, which should cover only non-administrative staff directly engaged on repairs and maintenance (137·76 lakhs). Other

constituents of the increase are the provision required for the enhancement in the rates of dearness allowance to lower graded Central Government employees during the current year (45·72 lakhs) and payment of additional house rent and city compensatory allowances, from 1st January, 1964, consequent upon reclassification of certain cities (7·40 lakhs). The increases are partly offset by savings amounting to 7:47 lakhs, representing the net result of a variety of economy measures such as non-utilisation of additional provision for staff, by not filling vacancies for shorter or longer periods according to needs, and regulating of expenditure on office contingencies to the extent possible.

Demand No. 5—Repairs & Maintenance.—The increase under this Demand is 478·54 lakhs. This increase is made up of the provision required to cover the enhancement in the rates of dearness allowance during the current year in their application to repairs and maintenance staff charged to this Demand (141·14 lakhs), as well as payment of house rent and city compensatory allowances at enhanced rates, from 1st January 1964, consequent on the reclassification of certain cities (7.93 lakhs); the balance of the increase, namely, 329·47 lakhs, represents the latest assessment of the actual requirements for increased expenditure on maintenance of track, for improved standard of maintenance, and for repairs to flood damage in certain sections (337·72 lakhs); increased expenditure anticipated as being actually necessary for repairs to rolling stock, including diesel locomotives, mainly on account of increase in prices of materials used in repairs (49·85 lakhs); additional expenditure, now expected due to increased prices, on maintenance of electrical services (39·69 lakhs), on Signal and Telecommunication services (29·16 lakhs) and on other equipment (10·81 lakhs); counter-balanced by savings arising from transfer of provision relating to workshop office staff from this Demand to Demand No. 4 (137·76 lakhs).

Demand No. 6—Operating Staff.—There is an increase of 232·67 lakhs under this demand, over the Budget, mainly to cover provision towards the post-budget increase in the rates of dearness allowance to lower graded Central Government employees during the current year (113:42 lakhs), payment of city compensatory and house rent allowances at enhanced rates, from 1st January, 1964 as a result of reclassification of certain cities (7·17 lakhs), revision of the rates of mileage and overtime allowance from 1st August, 1963 and liberalisation of night duty allowance from 1st May, 1963 (65·08 lakhs). The reasons for the balance of the increase are appointment of additional staff not anticipated at the time of Budget but actually found necessary (9·12 lakhs), apart from payment of arrears due to re-fixation of pay in the authorised scales and upgrading of posts (16·13 lakhs), and aggregate of minor variations like transfer of provision from other demand (21·75 lakhs).

Demand No. 7.—Operation (Fuel).—Under this Demand, a Supplementary Grant of 2·33 crores was obtained from the Parliament in April, 1963, on account of post-budget enhancement in the prices of coal per tonne by 80 naye paise from 1st March, 1963 and by 49 naye paise from 1st April, 1963. The Revised Estimates provide for a further increase of 364·27 lakhs, to cover the effect of the general taxation changes in 1963-64 on the Railways' expenditure on coal and other fuel, which could not be assessed earlier. (The effect of a further increase in the price of coal from 1st June, 1963 is only about nine lakhs and specific additional provision on that account as such is not necessary). The increase of 364:27 lakhs referred to, includes 186·09 lakhs under 'Other Fuel', the bulk of which (149·39 lakhs) reflects the effect of the post-budget increase in the price of diesel

oil consequent on the levy of enhanced rate of excise duty on high speed diesel oil from 2nd March, 1963, as part of the general taxation changes. There are also normal variations under diesel traction, according to latest assessment of the composite effect of the progressive replacement of steam service by electric and diesel traction (36·70 lakhs). The other significant component of the increase is 178·18 lakhs under coal, comprising 107·77 lakhs, partly on account of post-budget increase in the rate of Central Sales Tax from one per cent to two per cent from 1st April, 1963 and increase in the rescue excise duty on coal from two naye paise to three naye paise per tonne from 1st March, 1963 and partly on account of the increase, as now computed on the basis of latest figures, in freight and handling charges on coal, over what had been provided in the Budget, and 70·41 lakhs on account of increased provision required, according to the latest assessment, to meet more arrear bills unavoidably carried forward than had been envisaged in the Budget.

Demand No. 8.—Operation other than Staff and Fuel.—There is an increase of 47·24 lakhs under this demand, of which 6·72 lakhs represents provision for the enhancement in the rates of dearness allowance to lower graded Central Government employees during the current year and for payment of city compensatory and house rent allowances at increased rates, from 1st January, 1964, consequent upon reclassification of certain cities, and 40:52 lakhs mainly for the computed aggregate effect (net), under this demand, of the increases in prices, beyond what was envisaged in the budget, of a variety of materials used in the course of the Railways' operation.

Demand No. 9—Miscellaneous Expenses.—The increase of 243:66 lakhs under this Demand is mainly due to provision required, on the basis of latest evaluation, to meet the cost of continuing measures, particularly on the Northeast Frontier Railway, arising from the Emergency, which could not be precisely evaluated in the Budget (31·04 lakhs), more provision than in the Budget actually found necessary for port, landing and freight charges on imported materials, corresponding to improved receipts of materials as well as increase in customs charges (27·14 lakhs), increased payments of pension and death-*cum*-retirement gratuity (65·11 lakhs) found to be necessary according to latest assessment, on a detailed basis, in excess of the *ad hoc* provision for retirement benefits that was made in the Original Budget when the age of superannuation was raised from 55 to 58 years from 1st December, 1962 at the time the Budget Estimates for 1963-64 were under compilation. Other ingredients of the increase are a small additional provision required to meet the *ad hoc* increases in lower rated pensions notified from 1st October, 1963, more government contribution to Provident Fund accounts of employees found necessary than was provided for in the Budget (10·02 lakhs), unavoidable variations in payment of compensation due partly to increase in the amounts of compensation payable under Workmen's Compensation Act as a result of the revision of rates notified after the Budget and partly to cover more payments awarded by Claims Commissioners, than provided on an *ad hoc* basis in the Budget, to persons involved in rail-accidents of earlier years (14·77 lakhs), expansion of departmental catering facilities, the increased receipts from which go under Earnings and not as reduction of expenses (16·45 lakhs), and aggregate effect of other variations, including increase in the quantum of transactions expected to be routed through Suspense (79·13 lakhs).

Demand No. 10—Labour Welfare.—The increase of 41·45 lakhs under this demand reflects largely the effect of the increase, during the current year, in the rates of dearness allowance to staff charged to this Demand

as a result of the increase in dearness allowance to lower graded Central Government employees (15·73 lakhs), payment of city compensatory and house rent allowance at enhanced rates, from 1st January, 1964, as a result of reclassification of cities (0·57 lakh). The balance of 25·15 lakhs represents expenditure on medical, health and welfare requirements, according to actual needs, apart from the effect of the post-budget increase in the prices of medical, sanitary and diet materials used for the benefit of staff and their families and more provision for staff training facilities found necessary than envisaged in the Budget.

14. **Items making up "Total Working Expenses".**—There is no variation in the appropriation to Depreciation Reserve Fund and Payments to Worked Lines.

15. **Revised Estimate of Revenue Working Expenses 1963-64 alongside Budget and 1962-63 figures.**—The table below compares the Revised Estimate for Ordinary Working Expenses with the Budget as increased by the Supplementary Grant obtained in April, 1963, and the actuals of the previous year:—

(In crores of rupees)

	Actuals, 1962-63	Budget Estimate, 1963-64 (as modified by Supplementary Grants for Demands 4 and 7 Voted in April, 1963)	Revised Estimate, 1963-64
Demand No. 4.—Administration	41·02	42·81	44·64
Demand No. 5.—Repairs and Maintenance	132·32	137·82	142·61
Demand No. 6.—Operating Staff	82·34	85·38	87·71
Demand No. 7.—Operation (Fuel)	87·1	94·44	98·09
Demand No. 8.—Operation other than staff and Fuel	28·41	29·77	30·24
Demand No. 9.—Miscellanous Expenses	33·75	32·21	34·65
Demand No. 10.—Labour Welfare	12·14	13·66	14·07
TOTAL	417·74	436·09	452·01
Credits or recoveries	—55·36	—54·72	—58·76
NET	362·38	381·37	393·34
Appropriation to Depreciation Reserve Fund	67·00	80·00	80·00
Payments to Worked Lines	0·14	0·14	0·14

MISCELLANEOUS TRANSACTIONS

16. **Miscellaneous revenue transactions (including surveys, etc.).**—In the Budget Estimates for 1963-64, an amount of 26 lakhs was provided under Miscellaneous Receipts and 16·66 crores under Miscellaneous Expenditure. Two supplementary grants, totalling 11·50 lakhs, covering Demand No. 2, were obtained in April, 1963 and August—September, 1963,

in respect of certain new surveys to be done in the current year for a broad gauge line on the Northeast Frontier Railway from near Siliguri to Assam and certain contemplated works on Eastern and Southern Railways for augmenting rail transport capacity. Against the modified grant of 16·77 crores for Miscellaneous expenditure, the Revised Estimate provides for an expenditure of 16·49 crores, due to normal variations, including credit for survey equipment on completion of surveys precise evaluation of such credits in the Budget not being feasible.

As regards Miscellaneous Receipts, it was not envisaged in the Budget Estimate that any further accretion to Revenues, of Government contribution in Provident Fund accounts of the employees opting for the pensionary form of retirement benefits, would occur in 1963-64, as the last date of option was to expire on 31st March, 1963. As a result of the extension of the date of option to 30th June, 1963, more serving employees opted for pension during 1963-64; an additional amount of 37 lakhs, representing the accumulated Government contribution and interest thereon, in the account of State Railway Provident Fund of further optees during the year, will revert to the Government. The Revised Estimates for 1963-64 have accordingly been placed at 53 lakhs.

17. **Revised Estimates, 1963-64 of miscellaneous revenue items, compared with Budget and with 1962-63 figures.**—The table below compares the Revised Estimates of Miscellaneous Transactions, with the Budget as increased by Supplementary grants obtained in April, 1963 and August—September, 1963, and the actuals of the previous year (1962-63):—

(In lakhs of rupees)

	Acuals, 1962-63	Budget Estimate, 1963-64 (as modified by Supplementary Grants Voted in April and August-September, 1963)	Revised Estimate, 1963-64
RECEIPTS—			
Guarantees recoverable from State Governments for unremunerative lines	..	..	..
Other receipts from Subsidised Companies	2	2	3
Miscellaneous Railway Receipts	93	24	50
TOTAL—RECEIPTS	95	26	53
EXPENDITURE—			
Subsidy	14	17	16
Land	..	..	..
Surveys	43	60	29
Miscellaneous Railway Expenditure	3,38	3,50	3,54
Open Line Works—Revemue	10,95	12,50	12,50
TOTAL—EXPENDITURE	14,90	16,77	16,49
NET MISCELLANEOUS EXPENDITURE	13,95	16,51	15,96

DIVIDEND TO GENERAL REVENUES

18. **Revenue Expenditure on payment to General Revenues—Revised Estimate, 1963-64.**—The Revised Estimate of Dividend to General Revenues is placed at 82·53 crores, or 1·92 crores more than the Budget Estimate of 80·61 crores. This is mainly due to recomputation of the Dividend due on the basis of Capital-at-charge anticipated in the Revised Estimates, 1963-64, which is more than the figure of Capital-at-charge assumed in the Budget Estimate.

19. **Revenue Account—Revised Estimate, 1963-64 compared with Budget and with 1962-63.**—The table below gives the principal financial figures of the current year, according to the Revised Estimate, as compared with the Budget Estimate and the actuals for the previous year:—

(In crores of rupees)

	Actuals, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64
TRAFFIC RECEPITS —			
Gross Traffic Receipts	566·79	599·69	622·22
WORKING EXPENSES—			
Ordinary Working Expenses	362·38	379·04	393·34
Appropriation to Depreciation Reserve Fund	67·00*	80·00*	80·00*
Payments to Worked Lines	0·14	0·14	0·14
Total Working Expenses	429·52	459·18	473·48
Net Traffic Receipts	137·27	140·51	148·74
MISCELLANEOUS TRANSACTIONS—			
Receipts	0·95	0·26	0·53
Expenditure	14·90	16·66	16·49
Net Miscellaneous Expenditure	13·95	16·40	15·96
Net Railway Revenue	123·32	124·11	132·78
Payments to General Revenues—			
(*i*) Dividend to General Revenues	68·76@	80·61&	82·53&
(*ii*) Payments in lieu of tax on Passenger fares	12·50	12·50	12·50
NET GAIN OR SURPLUS	42·06	31·00	37·75
Operating ratio	75·8%	76·6%	76·1%

*Represents depreciation provision made from Revenue. The Depreciation provision, in respect of manufacturing units, under the extant procedure, is charged to Workshop Manufacture Account (Capital).

@ At 4·25% on the Capital-at-charge.

& At 4·50% on the Capital-at-charge.

SURPLUS AND FUNDS

20. **Revised forecast of improved Railway surplus for 1963-64.**—The surplus now expected for the current year comes to 37·75 crores which is 6·75 crores more than that anticipated at the time of the Budget Estimate. The difference is made up of an increase of 22·53 crores in Gross

Traffic Receipts and 0·27 crore under 'Miscellaneous Receipts', decrease of 0·17 crore under 'Miscellaneous Expenditure', offset by an increase of 14·30 crores (net) under Ordinary Working Expenses and 1·92 crores in the amount of dividend payable to General Revenues. Considering that the Revised Estimate for 1963-64 provides for an expenditure of nearly 30 crores on works chargeable to Development Fund and considering also that this expenditure is steadily on the increase, from year to year, an anticipated surplus of 37·75 crores for credit to the Development Fund is no more than surplus of the order required. It will also be appreciated that, in relation to an increasing capital, a growing surplus is essential if a reasonable return on investments is to be maintained.

21. **Depreciation Reserve Fund.**—The Depreciation Reserve Fund opened with a balance of 22·84 crores. The contribution to the Fund for 1963-64 and the next two years was increased, with the specific approval of the Parliament through the Railway Budget for 1963-64, by 10 crores per annum, over the yearwise provision recommended by the Railway Convention Committee, 1960. The Fund will thus receive a credit of 80 crores from Revenue in 1963-64, apart from 1·55 crores from the Chittaranjan Locomotive Works and Integral Coach Factory and an interest of 1·06 crores on the balance in the Fund. The withdrawal from the Fund, for the year 1963-64 is now estimated to be of the order of 70·50 crores, leaving a balance of 34·95 crores at the close of the year.

Revenue Reserve Fund.—The Revenue Reserve Fund opened with a balance of 57·39 crores; an amount of 2·16 crores will accrue to the Fund by way of interest during the year. There will be no transaction during the year; consequently, the Revenue Reserve Fund would be intact with a balance of 59·55 crores at the end of 1963-64.

Development Fund.—The opening balance in the Development Fund was 29·68 crores. This was increased by Rs. 2·34 crores due to reassessment made in regard to the remunerativeness of certain works, bringing the total opening balance in the Fund to Rs. 32·02 crores. The appropriation to the Fund from Revenue Surplus in 1963-64 is now expected to be 37·75 crores according to the Revised Estimate, and the interest accruing on the fund balance will be 1·35 crores. The total amount available in the fund will thus be 71·12 crores, against an estimated withdrawal of Rs. 29·75 crores. Thus the Fund is expected to close with a balance of 41·37 crores at the end of 1963-64.

BUDGET ESTIMATES, 1964-65

TRAFFIC RECEIPTS

22. **Budget Estimate of Receipts 1964-65—Passenger earnings.**—The estimate of Passenger Earnings in 1964-65 has been placed at 184·00 crores i.e., 3·97 crores higher than the Revised Estimate for 1963-64 of 180·03 crores. This provides for an increase of about 2·2 per cent in non-suburban passenger traffic, on the consideration that the increase of such traffic in the first two years of the current Plan was about four per cent.

Other Coaching Earnings (i.e. parcel, etc.).—The estimate of Other Coaching Earnings in 1964-65 has been placed at 35·00 crores—allowing a nominal increase of 20 lakhs over the Revised Estimate for 1963-64.

Goods Earnings.—The Budget Estimate of Goods Earnings for 1964-65 has been placed at 432·00 crores—an increase of 40·34 crores over the Revised Estimate figure of 391·66 crores. This corresponds to an anticipated increase of originating traffic, within the increased capacity to carry

a further 17 million tonnes in 1964-65, over 1963-64. The estimate of goods earnings includes the effect of adjustments in basic coal rates and of downward adjustment in the classification of a number of high rated commodities—both being also measures of rationalisation—as well as the levy of a two per cent supplementary charge on all basic freight rates other than export ore. The net result of the aforesaid adjustments in freight rates is expected to be an additional goods earnings of 11 crores during 1964-65, made up of 7·50 crores from the two per cent supplementary charge and 3:50 crores from the other adjustments. Appendix XVIII indicates the proposed basic coal freight rates along side the existing basic rate (at gaps of 50 kilometres).

Sundry Earnings.—Sundry Earnings in 1964-65 have been placed at 18·00 crores—an increase of 1·12 crores over the Revised Estimate for 1963-64. Providing one crore for Suspense, representing the net unrealised earnings, the Budget Estimate of Gross Traffic Receipts during 1964-65 has been placed at 668·00 crores.

Summary of Estimate of Receipts 1964-65.—The Budget Estimates of Gross Traffic Receipts for 1964-65 are given below, alongside the Budget and the Revised Estimates for 1963-64 and the Actuals for 1962-63:—

(In crores of rupees)

	Actuals, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
Passenger Earnings—				
Upper	20·36	20·04	21·55	22·01
Third	148·83	152·46	158·48	161·99
Other Coaching Earnings	32·54	34·80	34·80	35·00
Goods Earnings	349·52	379·00	391·66	432·00
Sundry Other Earnings	16·68	14·50	16·88	18·00
TOTAL—EARNINGS	567·93	600·80	623·37	669·00
Suspense	—1·14	—1·11	—1·15	—1·00
GROSS TRAFFIC RECEIPTS	566·79	599·69	622·22	668·00

WORKING EXPENSES

23. **Change in the structure of Demands for Grants 1964-65 due to creation of Pension Fund.**—Before dealing with the estimates of Working Expenses for the year 1964-65, it is necessary to refer to certain changes, which are proposed to be introduced in the Demands, in consultation with the Comptroller and Auditor General and the Ministry of Finance, in regard to the accountal of pensionary retirement benefits as explained in some detail in a later paragraph (para 30). Briefly, the proposal is that pensionary charges payable each year in respect of pensionable Railway staff will be met from a "Pension Fund" to be created on the Railways. Commencing from 1964-65, appropriations will be made to that Fund from the Railway Revenues under a separate demand, numbered as Demand No. 11-A, while the anticipated expenditure on payment of pension will be treated as withdrawals from that Fund and will be included under a new demand, viz., Demand No. 11-B. "Pensionary Charges" hitherto figuring in Demand No. 9 of Revenue—Ordinary Working Expenses—will accordingly become inoperative from 1964-65.

24. **Budget Estimate of Working Expenses for 1964-65 briefly analysed.**—The Gross Budget Estimate of Ordinary Working Expenses for the year 1964-65 has been placed at 473·60 crores, or 21·59 crores more than the Revised Estimate for 1963-64. This includes a provision for increased staff expenditure of 6·52 crores. The increase in staff expenditure comprises the net effect of annual increments, cost of liberalisation in conditions of service of staff affecting only part of 1963-64 but having effect over the whole of 1964-65, such as enhancement in the rates of city compensatory and house rent allowances, effective from 1st January 1964, due to reclassification of cities, revision in the rates of mileage, overtime and night duty allowances, and normal variations in the quantum of other allowances (aggregate 5·23 crores), cost of inescapable appointments of additional staff consequent on the anticipated increase in traffic, changes in personnel, and strengthening of staff training measures (3·57 crores), offset partly by savings of 2·28 crores due to transfer of expenditure on pensionary charges from the Working Expenses Demand, as these will be met out of the Pension Fund proposed to be created from 1964-65.

The increase of 7·28 crores under Repairs and Maintenance, is mainly under Way and Works, Rolling Stock, Electrical Services and Signal and Telecommunication Services. It covers increased expenditure on the maintenance of track, particularly necessary in the context of ensuring maximum safety to running trains, as well as for maintenance of additional mileages of track, yards, etc. to be taken over in the coming year after completion; additional provision required to undertake periodical overhauls and other repairs to a large fleet of Rolling Stock and commensurate with their increased utilisation, increased expenditure on Electrical and Signal and Telecommunication Services for the essential maintenance of additional equipment to be commissioned into service.

An increase of 6·11 crores provided for under 'Fuel', is mainly to cover the additional requirement arising from the anticipated increase in traffic. This provides for additional coal to be consumed in sections under steam traction, after allowing for expansion of diesel and electric traction as programmed at present.

An increase of 1·68 crores is provided under Operating and Miscellaneous expenses, mainly as provision for increased payments for compensation for goods lost or damaged, arising from the assumption of carrier liability by the Railways from 1st January, 1962, the effect of which is expected to be felt increasingly.

The increase in net expenditure in 1964-65 over 1963-64 is 21·34 crores, or 24 lakhs less than the gross increase of 21·58 crores.

25. **Items making up 'Total Working Expenses'.**—The appropriation to Depreciation Reserve Fund in 1964-65 will be 83 crores, made up of 73 crores according to the year-wise depreciation provision in the Third Plan recommended by the Railway Convention Committee, 1960 plus 10 crores representing the enhancement of the aforesaid year-wise provision, from 1963-64, as approved by Parliament when voting the Railway Budget for 1963-64.

An appropriation of 19 crores is proposed to be made to the Pension Fund to be created on the Railways from 1964-65.

26. **Budget Estimates of Working Expenses 1964-65 compared to 1962-63 and Revised Estimates 1963-64.**—The Budget Estimates of Working Expenses for 1964-65 under different demands are given below, alongside the Revised Estimates for the current year and the actuals for the previous year:—

(In crores of rupees)

	Actuals, 1962-63	Revised Estimate 1963-64	Budget Estimate, 1964-65
Demand No. 4.—Administration	41·02	44·64	**47·62**
Demand No. 5.—Repairs and Maintenance	132·92	142·61	**151·59**
Demand No. 6.—Operating Staff	82·34	87·71	**92·80**
Demand No. 7.—Operation (Fuel)	87·16	98·09	**104·21**
Demand No. 8.—Operation Other than Staff and Fuel	28·41	30·24	**31·99**
Demand No. 9.—Miscellaneous Expenses	33·75	34·65	**29·71**
Demand No. 10.—Labour Welfere	12·14	14·07	**15·68**
TOTAL	417·74	452·01	**473·60**
Credits or recoveries	—55·36	—58·67	**—58·92**
NET	362·38	393·34	**414·68**
Appropriation to Depreciation Reserve Fund	67·00	80·00	**83·00**
Appropriation to Pension Fund	..	..	**19·00**
Payments to Worked Lines	0·14	0·14	**0·14**

27. **Increase in Budget Estimates of Working Expenses 1964-65 over Revised Estimate 1963-64 analysed in detail.**—The increases in Working Expenses provided in the Budget Estimate for the ensuring year, over the Revised Estimate for 1963-64, under each Demand, are analysed below in some further detail:

Demand No. 4—Administration.—The anticipated increase of 297·59 lakhs represents the net effect of annual increments (79·09 lakhs), provision for variations in the quantum of allowances, including provision, for a full year, for reclassification of cities effective for only part of the current year (40·59 lakhs), normal variations in other allowances, contingent charges and police charges, including variations arising from changes in personnel and leave salary (41·61 lakhs); the balance is required to cover inescapable appointments of additional staff incidental to additional traffic anticipated in 1964-65.

Demand No. 5—Repairs and Maintenance.—The anticipated increase of 897·86 lakhs includes the net effect of annual increments of repairs and maintenance staff charged to this Demand (87·60 lakhs) variations in the quantum of allowances, including full year's provision for the increase in the city compensatory and house rent allowances consequent on reclassification of certain cities operative over only part of the current year (82·33 lakhs); the residual increase of 727·93 lakhs is the result of the following factors:

(a) There is an increase of 140·68 lakhs under 'Maintenance of Way and Works', to cover inescapable appointments of additional staff required for improved maintenance of existing track, particularly necessary to ensure speed and maximum safety to

running trains, as well as additional staff required for maintenance of additional mileages, doublings and yards, to be taken over, after completion, in the Budget year. There is also provision for an increase in expenditure on ballast, including provision for likely price increases (83:36 lakhs). The compensating saving of 119·97 lakhs is due to reduced expenditure on special works which, it is assumed at this stage, will not be necessary to the same extent as in 1963-64 nor either repairs in connection with flood damage such as have been necessary in 1963-64.

(b) The increase of 366·78 lakhs under 'Maintenance of Rolling Stosk', is made up of 179·60 lakhs for increased out-turn of Rolling Stock from Railway Workshops after periodical overhauls, providing also for overtaking of arrears so as to ensure fully adequate maintenance standards, 185:52 lakhs for more running repairs to stock resulting from additional holdings of stock and increased movements on account of additional traffic anticipated in 1964-65, and 1·66 lakhs for repairs to machinery and plant in shops and sheds.

(c) The increase of 130·74 lakhs under 'Maintenance of Electrical Services' represents provision for extra staff and materials required for essential maintenance of additional electrical installations generally, as well as expansion of electric traction services on the Eastern, Southern, and Southeastern Railways and introduction of such services on the Northern Railway (139·73 lakhs), increased expenditure anticipated on the repair out-turn of electric locomotives and multiple unit stock (17·00 lakhs). The increases are partly offset by saving of 25·99 lakhs arising from the expectation of non-recurrence, in 1964-65, of certain adjustments effected in 1963-64.

(d) The increase of 95:21 lakhs under 'Maintenance of Signal and Tele-communication Services' is towards additional staff and materials for the maintenance of the newly opened interlocked stations.

The increases under the heads mentioned above are counterbalanced partly by a minor saving of 0·55 lakh under 'Ferry Steamers and Harbours', due to less repairs to ferry crafts, and of 4·93 lakhs under 'Other Expenses' due to less expenditure anticipated for the purchase of tarpaulins and such like equipment.

Demand No. 6—Operating Staff.—The anticipated increase of 509·35 lakhs consists of 136·65 lakhs to cover the net effect of annual increments, 64·34 lakhs for normal variations in the quantum of allowances including full year's provision required, in 1964-65, for payment of house rent and city compensatory allowances at higher rates consequent upon reclassification of certain cities from 1st January 1964, 25·85 lakhs on account of full year's provision for revision in the rates of mileage, overtime and night duty allowances; and the balance to cover appointment of additional staff for a full year, against only part of the year 1963-64, and for additional appointments in 1964-65 to handle the anticipated increase in traffic and to man new stations and yards expected to be brought into use as well as the anticipated energisation of certain sections of Eastern, Northern, Southern and Southeastern Railways.

Demand No. 7—(Operation Fuel).—The increase of 611·64 lakhs anticipated under this Demand includes an additional provision of 385·99 lakhs

under 'Cost of other fuel', to cover the increased diesel traction services on Central, Eastern, Northern, Northeastern Frontier, Southern, Southeastern and Western Railways, 121·32 lakhs under 'Cost of electric current for traction purposes' due to the increased electric traction services anticipated on Eastern and Southeastern Railways and the extension of this traction over Northern and Southern Railways, the balance covering the increases in respect of steam traction to cope with the increase in traffic in sections not brought under diesel or electric tractions, after allowing for the effect of introduction of diesel traction over certain sections in 1964-65.

Demand No. 8—Operation other than Staff and Fuel.—The anticipated increase of 175·09 lakhs under this Demand is due to the anticipated increasing effect of the common carrier liability assumed by the Railways from 1st January, 1962 (100·36 lakhs), provision for increased running expenditure on Electrical Services due to the electrification of more stations, yards, quarters, workshops and sheds (46·42 lakhs), increased consumption of miscellaneous stores due to anticipated increase in traffic generally (42·14 lakhs) and for the net effect of annual increments and other normal variation in the quantum of various allowances of staff charged to this Demand, including full year's effect of the increase in city compensatory and house rent allowances sanctioned from 1st January 1964, due to reclassification of certain cities (6·54 lakhs), offset partly by savings due to less debits from Stock Adjustment Account and other normal variation (—20·37 lakhs).

Demand No. 9—Miscellaneous Expenses.—A reduction of 493·88 lakhs is anticipated under this Demand, as compared to the Revised Estimate for 1963-64. This is on account of the elimination of the provision for pensionary payments from this Demand, since these charges hereafter will be met from the Pension Fund proposed to be created on Railways from 1964-65 (228·14 lakhs), reduced provision assumed under Government contribution to provident fund as a result of more non-pensionable staff electing pension (170:91 lakhs) and under Gratuities and Special Contribution to Provident Fund also in the expectation that the more non-pensionable railway staff will elect pension now, with the improvement in the family pension scheme and low-rated pensions (95·53 lakhs), and partly also because of arrear adjustments such as have been made in 1963-64 not likely to recur in 1964-65, and aggregate of minor savings under other heads including Suspense (78·64 lakhs), counter balanced by increased expenditure anticipated on port, landing and other charges on materials (62:41 lakhs), further expansion of the Catering Department including full year's provision for catering units started in the course of the current year (16·93 lakhs). The sales from the catering units, it may be mentioned, are taken under Sundry earnings and not as reduction of expenditure.

Demand No. 10—Labour Welfare.—There is an increase of 160·66 lakhs under this Demand, of which a sum of 15·75 lakhs is on account of the net effect of annual increments, 7·86 lakhs for normal variations in the quantum of allowances, 63·39 lakhs due to opening of additional health units and dispensaries, higher expenditure on medicines, drugs and diet charges on account of further expansion of Railway Hospitals, 25·61 lakhs under 'Health and Welfare Services' for the improvement of sanitary services, including increased provision for conservancy charges to cover the anticipated expansion in housing colonies, 39·33 lakhs on account of essential staff training facilities required to cover the additional staff to be appointed for the anticipated increase in traffic, and

8·22 lakhs under 'Canteens and other Staff Amenities' for special contributions to the Staff Benefit Fund in furtherance of sports activities.

28. **Items making up "Total Working Expenses". Payment to Worked lines 1964-65.**—There is no variation under payments to worked lines, the expenditure in respect of which is expected to be of the same order (14 lakhs) in 1964-65 as in the current year.

29. **Depreciation Provision 1964-65.**—The Appropriation to Depreciation Reserve Fund in 1964-65 will be 83 crores, as already explained in para 25 ante.

30. **Pension Fund.**—The Pension Scheme on the Railways has been in operation from 1957. Only the relatively small number of railway employees who have joined service since 16th November, 1957 are governed by the pensionary form of retirement benefits; but most of the non-pensionable employees already in service on 1st April 1957, when given an option, have chosen to retain the Railway contributory form of retirement benefits. With relatively few railway employees on pension, the pensions to retired staff are being charged to the accounts of the year in which payments are made, as done in non-railway pensionable departments. With the substantial liberalisation of the Family Pension Scheme for Central Government servants from 1st January, 1964 and the ad hoc increases in lower rated pensions sanctioned from 1st October, 1963, it is anticipated that large numbers of non-pensionable railway staff will now elect for pension. The impact of this on Railway finances is likely to be substantial. The actuarial calculations indicate that, even for one million Railway servants in the different pay groups (out of the present strength of 1.21 million employees) the eventual annual cost, on account of retirement pensions and family pensions together, will be about 38 crores and the 'funded cost' will be about 30 crores. As a commercial undertaking, it is necessary for the Railways not only to provide for the current payments to staff but also to provide, from revenue each year, the potential cumulative liability for the pension benefits earned by each year of service, in the same way as provision is made for Depreciation Reserve Fund. This will correspond to what is being done by the Railways for their non-pensionable staff in regard to Government contribution (Bonus) made from Railway Revenues to the Provident Fund accounts each year as and when the 'Bonus' acrues. In non-Railway departments, where employees have always been pensionable, the burden of pension payments is not likely to vary widely, whereas, with a large number of non-pensionable Railway servants in different age groups coming under pension, the pension payments on the Railways will fluctuate considerably for many years to come, until the post November-1957 entrants to service, who are all under pension, begin to retire from year to year in more or less regular numbers some thirty years hence. It is in these circumstances that it is proposed to create a Pension Fund for the Railways from 1964-65 with the object of evening out the charge on Railway Revenues from year to year. An initial contribution of 19 crores from Revenue is proposed to be made to this Fund as also 30 lakhs from the Workshop Manufacture Suspense accounts of the three manufacturing units. This ad hoc contribution, after meeting the outgoings on pension payments in 1964-65 estimated for the present at four crores, will leave a balance in the Fund, at the end of the year, of about 15 crores, or about half of what is expected to be the minimum annual expenditure on pensions eventually. This is considered a reasonable provision at this stage: depending on how many non-

pensionable employees elect to come over to pension, the position will be reviewed later. Pension payments made from 1964-65 onwards will be charged to the Pension Fund. The two new Demands in this connection (Nos. 11-A and 11-B) will operate in the same way as contributions to, and withdrawals from, the Railway Depreciation Reserve Fund.

MISCELLANEOUS TRANSACTIONS

31. Budget Estimate 1964-65 of Miscellaneous Revenue Transaction **compared with Revised Estimate 1963-64.**—The result of the Miscellanous Transactions for the budget year is expected to be a net expenditure of 17·08 crores, as shown below:—

(In lakhs of rupees)

	Actuals, 1962-63	Revised Estimate, 1963-64	Budget Estimate, 1964-65
RECEIPTS—			
Guarantees recoverable from State Governments for on remunerative lines	..	..	..
Other receipts from Subsidised Companies	2	4	3
Miscellaneous Railway Receipts	93	49	13
TOTAL—RECEIPTS	95	53	16
EXPENDITURE—			
Subsidy	14	16	19
Land	..	..	..
Surveys	43	29	13
Miscellaneous Railway Expenditure	3,38	3,54	3,92
Open Line Works—Revenue	10,95	12,50	13,00
TOTAL—EXPENDITURE	14,90	16,49	17,24
Net Miscellaneous Expenditure	13,95	15,96	17,08

The increase of 1·12 crores under Net Miscellaneous Expenditure in 1964-65, over the Revised Estimate for 1963-64 of 15·96 crores, is made up of normal variations by way of a decrease of 37 lakhs under Miscellaneous Receipts and an increase of 75 lakhs under Miscellaneous Expenditure.

DIVIDEND TO GENERAL REVENUES

32. **Revenue Expenditure on Payments to General Revenues—Budget Estimate, 1964-65.**—The Budget Estimate of Dividend to General Revenues in 1964-65 is placed at 90·73 crores, taking into account the estimated capital outlay, during the year 1964-65, of 253·00 crores. In regard to the rate of dividend, while capital provided for the Indian Railways up to the end of the current financial year will continue to pay dividend to General Revenues at 4·50 per cent (rate approved by Parliament, when voting the Budget for 1963-64, in modification of the rate of 4·25 per cent fixed earlier on the recommendation of the Railway Convention Committee, 1960), the capital made available to the Railways after 1963-64 will carry interest or "dividend" at 5·75 per cent. This is

proposed, keeping in view the prevailing higher rate of interest on government borrowings, or in other words, the increased cost of raising capital for the Railways and the still higher rate of interest on certain foreign loans made available to the Railways. The additional contribution on this account to the general exchequer in the remaining years of the current Plan will be about 1·50 crores in 1964-65, with reference to half the annual anticipated capital outlay as it will stand at the end of that year, and will increase to an additional annual contribution of nearly five crores in 1965-66, assuming the same capital outlay in 1965-66 as in 1964-65. The rate of dividend will come up for review, in the usual course, by the next Railway Convention Committee in 1965, when this arrangement too will be reviewed amongst other things.

In addition, as done in 1961-62 to 1963-64, an amount of 12·50 crores has been provided for payment to General Revenues in lieu of the tax on passenger fares merged in fares from 1st April, 1961, in accordance with the accepted recommendations of the Railway Convention Committee, 1960.

33. **Revenue Account—Budget Estimates, 1964-65 compared with 1962-63 and Revised Estimates, 1963-64.**—A summary of the anticipated financial results of 1964-65, in juxta-position with the Revised Estimates of the current year and the actuals for the previous year, is given below:—

(In crores of rupees)

	Actuals, 1962-63	Revised Estimate, 1963-64	Budget Esimate, 1964-65
TRAFFIC RECEIPTS—			
Gross Traffic Receipts	566·79	622·22	668·00
WORKING EXPENSES—			
Ordinary Working Expenses	362·38	393·34	**414·68**
Appropriation to Depreciation Reserve Fund	67·00†	80·00†	**83·00†**
Appropriation to Pension Fund	..	..	**19·00†**
Payments to Worked Lines	0·14	0·14	**0·14**
TOTAL WORKING EXPENSES	429·52	473·48	**516·82**
NET TRAFFIC RECEIPTS	137·27	148·74	**151·18**
MISCELLANEOUS TRANSACTIONS—			
Receipts	0·95	0·53	**0·16**
Expenditure	14·90	16·49	**17·24**
NET MISCELLANEOUS EXPENDITURE	13·95	15·96	**17·08**
NET RAILWAY REVENUE	123·32	132·78	**134·10**
Payments to General Revenues—			
(*i*) Dividend to General Revenues	*68·76	**82·53	***90·73
(*ii*) Payment in lieu of Passenger Fare Tax	12·50	12·50	**12·50**
NET GAIN OR SURPLUS	42·06	37·75	**30·87**
Operating Ratio	75·8%	76·1%	**77·4%**

†Represents provision made from Revenue. The provision for the manufacturing units under the extant procedure, i s charged to Workshop Manufacture Suspense Account (Capital).

*At 4·25 per cent on the Capital-at-charge.
**At 4·50 per cent on the Capital-at-charge.
***At 4·50 per cent on the Capital-at-charge to end of 1963-64 and at 5·75 percent on fresh Capital.

SURPLUS AND FUNDS

34. **Forecast of Railway surplus for 1964-65 for credit to Development Fund.**—The surplus anticipted in 1964-65 is 30·87 crores, which is proposed to be credited to the Development Fund. The withdrawal from the Fund in the Budget year will be of the order of 33·00 crores, against the credit of 30·87 crores from the surplus and 1·54 crores on account of interest accruing on the balance in the Fund. Thus the Fund is expected to close with a balance of 40·78 crores at the end of 1964-65.

35. **Depreciation Reserve Fund.**—The Depreciation Reserve Fund is anticipated to open with a balance of 34·95 crores in 1964-65. The Fund, according to the provision recommended by the Railway Convention Committee, 1960, and subsequently enhanced by 10 crores each year from 1963-64, with the specific approval of the Parliament, will receive a credit of 83·00 crores from Revenue in 1964-65, 1·11 crores from the Chittaranjan Locomotive Works and Integral Coach Factory and an interest of 1·59 crores on the balance in the Fund. The withdrawals from the Fund during 1964-65 are expected to be of the order of 71·00 crores, leaving a balance of 49·65 crores at the close of the year.

Revenue Reserve Fund.—It is not expected that there will be any accretion to, or withdrawal from, the Revenue Reserve Fund which, with the addition of interest of 2·27 crores during 1964-65, is expected to close with a balance of 61·82 crores at the end of the year.

Pension Fund.—As explained in para 30 above, the Railway Pension Fund will receive an accretion of 19 crores from Revenue apart from a contribution of 30 lakhs from the Workshop Manufacture Suspense accounts of the three Production Units in respect of staff of these factories and 0·29 crore by way of interest on the balance. The withdrawal from the Fund towards payment of Pensionary charges is anticipated at this stage, to be 4·00 crores in 1964-65. The Fund is expected to close with a balance of 15·29 crores at the end of 1964-65.

36. **Fund Accounts.**—A detailed, year-wise account of the four Funds is given in Appendices XIII to XVI to this Memorandum.

PART II

EXPENDITURE ON THE WORKS, MACHINERY AND ROLLING STOCK PROGRAMME OF RAILWAYS

37. **Accounts of Works Grants, 1962-63.**—The Revised Estimate of Works, Machinery and Rolling Stock Programme for 1962-63 was fixed at 307·74 crores; supplementary grant to the tune of 3·00 crores under the former Demand No. 16—"Open Line Works—Additions" was, however, not pressed subsequently, in view of a later assessment. The actuals under all the Works Grants (Nos. 13 to 18) came to 324·38 crores (net); the excess over the modified grant was due to improvement, particularly in the closing months of the year, in the supply position of steel, girders, track materials, etc., even over what was envisaged at the stage of Revised Estimates, resulting in accelerated progress of works (particularly track renewals) and also less credits materialising than envisaged in the modified grants due to stores not having been drawn upon to the extent expected, thus affecting net expenditure.

38. **Capital or Works Budget, 1963-64 (as modified by Supplementary Grants of April 1963 and August-September 1963).**—The Budget programme in the current year (1963-64) of Rolling Stock, Machinery, New

Lines, Electrification Projects etc., envisages a net expenditure of 325·00 crores. Small Supplementary Grants of 21·00 lakhs—more or less a token provision to cover items of 'new service' or 'new instrument of service' requiring to be brought out specifically to Parliament's notice—were obtained subsequently, in April, 1963 and August-September, 1963. This made a total net modified Grant of 325·21 crores (325·00 + 0·21). The supplementary token grant of 20·00 lakhs obtained in April 1963, was to make a start, in the course of the year, on the construction of a Broad Gauge line from Raninagar (on Siliguri—Haldibari Branch) to Assam, as a high priority work required for strengthening communications with, and in, Assam, keeping in view also the defence requirements of the country. The Supplementary Grant obtained in August-September, 1963 included a token provision of 1·00 lakh, to cover specifically the various works necessary for augmenting ferry capacity at Farakka, to 400 wagons a day each way, including certain ancillary works on both the Eastern and Northeast Frontier Railways.

39. **Revised Works Budget, 1963-64.**—The Revised Estimate now fixed, in consultation with the Ministry of Finance, is 350·00 crores, or an increase of 24·79 crores (net) over the modified Budget grant. Under demands 13 and 14, the expenditure is expected to be within the budget; but it is necessary to cover the likely additional requirements under demands 15 and 16, for which a total increase of 30·35 crores in the gross is included in the Supplementary Demands for Grants. Taking a likely surrender of 0·24 crores from charged expenditure, the overall additional requirement of funds for all the Works Grants together is 30·11 crores (gross). This, in the net, (i.e. allowing for credits), has now been fixed in consultation with the Ministry of Finance as 24·79 crores increase over the net Modified Grant of 325·21 crores already referred to.

40. **Analysis of increases covered by Revised Estimates, 1963-64, for Works Grants.**—The increase under works, chargeable to Demands Nos. 15 and 16, is 25·35 crores (gross). This is to cover the increased expenditure on track renewal works, which it has been possible to accelerate due to the improved availability of track materials, as well as on other Plan works, whose execution has been speeded up during the current year. The effect of increased prices is also allowed for. Under 'Stores', 'Manufacture Suspense' and 'Miscellaneous Advances (Capital)', an increase 8·05 crores in the gross is provided, largely due to post-budget taxation changes and price increases affecting the cost of stores going under these heads.

Against the aforesaid aggregate gross increase of 33·40 crores, there are counterbalancing reductions in expenditure. 'Rolling Stock' and 'Machinery', for which 106·09 crores and 4·43 crores respectively were provided in the Budget, are now likely to require slightly reduced provision, namely, 105·61 crores and 3·42 crores respectively, i.e. a decrease of 0·48 crore on Rolling Stock and 1·01 crores on Machinery. These represent normal variations according to the latest position as now assessed in regard to deliveries against supply orders, etc. Under 'Investments in Government Commercial Undertakings—Road Services', there is a decrease of 1·80 crores, due to less share of investment by the Central Government, than anticipated, having actually been made. The savings from the budget thus aggregate to 3·29 crores (gross), as against the excess of 33·40 crores (gross) already referred to. In the result, the increase in the gross is 30·11 crores. Allowing for the increase in credits for released materials (3·25 crores) and increased issues of stores to works, etc., and other credits to Suspense heads (2·07 crores), which are taken outside the gross budget, the increase in the net is 24·79 crores.

41. **Revised Estimate of Works Expenditure for 1963-64 by Plan Heads.**—The broad distribution, by Plan heads, of the aggregate Revised Estimate of 350 crores for Works, Machinery and Rolling Stock, is given below, in juxta-position with the corresponding distribution of the aggregate grant of 325·21 crores.

(In lakhs of rupees)

Sl. No.	Particulars according to Plan heads	Budget Grant as modified (1963-64)	Revised Estimate, 1963-64
1.	Rolling Stock (excluding stock provided as part of Electrification Projects)	106,09	105,61
2.	Machinery and Plant	4,43	3,42
3.	Track Renewals	46,01	56,54
4.	Bridge Works	5,54	5,66
5.	Traffic facilities	60,65	71,38
6.	Signalling and Interlocking works etc.	7,95	8,61
7.	Workshops (including manufacturing units, namely, Diesel Locomotive Works, Chittaranjan Locomotive Works and Integral Coach Factory but excluding those provided as part of Electrification Projects)	13,69	15,26
8.	Electrification (includes also electric Rolling Stock for the traffic level with reference to which Electrification is sanctioned)	23,06	17,50
9.	Other Electrical Works	1,46	1,34
10.	Staff Quarters	6,57	8,33
11.	Amenities for Staff	2,70	3,80
12.	Passenger and Other Railway Users' amenities	2,80	2,81
13.	New Lines :	41,69	47,19
14.	Restoration of dismantled lines	4	—11
15.	Other specified works	3,88	3,08
16.	Purchase of Railway Lines	..	..
17.	Investments in Government Commercial Undertakings Road Services	2,48	68
18.	Increase or decrease in balances under:—		
	(a) Stores Suspense	10,12	7,61
	(b) Manufacture Suspense	—1,45	5,38
	(c) Miscellaneous Advances	—2,48	—82
19.	Credits or recoveries :		
	(a) Credits for released materials	—10,02	—12,96
	(b) Other credits	..	—31
	TOTAL	325,21	350,00

42. **Revised Estimates of Works Grants, 1963-64 as compared with Budget Estimates, (Demand-wise).**—The distribution demand-wise, showing the variations from the sanctioned Grant under the relevant Demand heads, is given below:—

(In lakhs of rupees)

Demand No.		Budget Grant (1963-64) as modified by Supplementary Grants obtained in April and August September, 1963.	Revised Estimate, 1963-64
13. Open Line Works (Revenue) . . .	Gross . .	12,50	12,50
	Credits . .	..	..
	Net . .	12,50	12,50
14.—Construction of New Lines . . .	Gross . .	65,98	65,98
	Credits . .	..	—31
	Net . .	65,98	65,67
15.—Open Line Works—Additions and Replacements.	Gross . .	433,84	460,20
	Credits . .	—213,11	—218,12
	Net . .	220,73	242,08
16.—Open Line Works—Development Fund .	Gross . .	26,00	29,76
	Credits . .	..	—1
	Net . .	26,00	29,75
TOTAL	Gross . .	538,32	568,44
	Credits . .	—213,11	—218,44
	Net . .	325,21	350,00

In respect of Demands No. 15 and 16, the variations from the 'Gross' Budget (i.e., excluding credits or recoveries, which are taken in reduction of expenditure outside the gross amount of the Grant) have been explained in the Supplementary Demand. The Revised Estimate under Demand No. 13—Open Line Works (Revenue) has been placed at the same level as the Budget Grant *viz.*, 12·50 crores. The Revised Estimate under Demand No. 14—Construction of New Lines has also been placed at the same level as the Modified Grant *viz.*, 65·98 crores; the additional provision necessary for constructing a new broad gauge line from near Siliguri to Jogighopa in Assam is expected to be met from savings under other projects within this grant.

43. **Railway Development Programme in the Third Plan.**—The cost of the Railway Development Programme in Third Plan was originally fixed at 1325 crores. Since the formulation of the Third Plan, an additional programme estimated to cost 145 crores was included in the Railway Plan, to provide for increased coal movement, works to provide the line capacity required for an additional 10 million tonnes of general goods traffic over the original target and also for the preparatory measures required for creating the requisite line capacity in the earlier years of the Fourth Plan. A further sum of 7 crores has since been added for additional capacity required for movement of iron ore to steel plants and for export purposes. The recent mid-term appraisal of the traffic prospects at the end of the Third Plan envisages that the component of the general goods traffic may reach a target of 109·8 million tonnes (an increase of 10 million tonnes over the original target), though there might be some shortfall in the short lead traffic owing to a revision in

the production programme of steel, coal and cement industries. An additional outlay of 45 crores towards the cost of additional rolling stock required for handling the additional quantum of general goods traffic (which involves comparatively long leads) has also been authorised. Adding 59 crores towards the cost of the strategic lines in Assam to the Railway Development Programme, the total outlay at present approved for the Railways is 1581 crores.

44. **'Capital (Works) Budget, 1964-65 Analysis by Plan heads.**—The Budget provision for Works, Machinery and Rolling Stock programme for 1964-65 has been placed at 370 crores. The higher level of expenditure proposed in 1964-65 (viz. 370 crores), as compared to 1963-64 (viz. 350 crores), is to achieve the outlay of 1581 crores approved in the Railways' Development Programme in the Third Plan, apart from the continuing effect of increased taxation and increased prices on a greater volume of work. The Railways having made the necessary organisational arrangements and initiated preliminary actions, are able to step up progressively the expenditure on development programmes as shown below:

(In crores of rupees)

1961-62	233,88
1962-63	324·38
1963-64 (Revised Estimate)	350,00
1964-65 (Budget Estimate)	370·00
1965-66	302·74*
TOTAL	1581·00

45. An analysis of the 1964-65 **'Capital Budget' by Plan heads is given** below:—

(In lakhs of rupees)

Sl. No.	Particulars (according to Plan heads)	Capital	Depreciation Reserve Fund	Development Fund	Open Line Works Revenue	Total
1.	Rolling Stock (excluding stock provided as part of Electrification Projects)	109,96	18,68	5	2	128,71
2.	Machinery and Plant	1,61	94	2	1,39	3,96
3.	Track Renewals	—1	56,17	10	17	56,43
4.	Bridge Works	2,07	3,32	52	25	6,16
5.	Traffic Facilities	59,55	3,22	10,12	4,36	77,25
6.	Signalling and Interlocking Works, etc.	1,58	1,73	38	3,59	12,28
7.	Workshops (including manufacturing units, namely, Diesel Locomotive Works, Chittaranjan Locomotive Works and Integral Coach Factory but excluding those provided as part of Electrification Projects)	13,68	36	3,81	1,48	19,33

*Represents only the balance, to add up to 1581 crores and does not represent estimated requirements of the year, which will be greater, mainly because of the increase in prices during the Plan period (and especially after the taxation in the Budget of 1963-64 and remit on in the prices of various controlled materials).

(In lakhs of rupees)

Sl. No.	Particulars (according to Plan heads)	Capital	Depreciation Reserve Fund	Development Fund	Open Line Works (Revenue)	Total
8.	Electrification (includes also Electric Rolling Stock for the traffic level with reference to which Electrification is sanctioned)	28,50	57	27	19	29,53
9.	Other Electrical Works . .	5	49	55	65	1,74
10.	Staff Quarters	1,01	18	6,16	83	8,18
11.	Amenities for Staff . .	6	10	2,60	73	3,49
12.	Passenger and Other Railway User's Amenities	..	5	3,81	..	3,86
13.	New Lines	55,05	..	..	..	55,05
14.	Restoration of Dismantled Lines.	..	..	1	..	1
15.	Other specific works . . .	1,49	15	98	96	3,58
16.	Purchase of Railway Lines . .	88	..	.	..	88
17.	Investments in Government Commercial Undertakings:—Road Services	2,00	..	..	..	2,00
18.	Increase or decrease in balances under:—					
18.	Increase or decrease in balances under:—					
	(a) Stores Suspense . .	8,91	..	..	.	8,91
	(b) Manufacture Suspense .	.	75	..	.	75
	(c) Miscellaneous Advances .	—3,57	..	..	..	—3,57
19.	Credits or recoveries : terials	..	—12,45		..	—12,45
	(a) Credis or released materials					
	(b) Other Credits . .	-23		—2	..	-25
	TOTAL	—283,34	73,51	34,36	14,62	405,83
	Probable savings . . .	—30,34	—2,51	—1,36	—1,62	—35,83
	NET . . .	253,00	71,00	33,00	13,00	370,00

Of the net provision of 370 crores, an amount of 319·34 crores is for Works in Progress, including previously programmed deliveries of Rolling Stock and Machinery, etc. The balance (including credits for released materials and net transactions under 'Suspense' heads, etc.) of 50·66 crores is for New Works, New Acquisitions of Rolling Stock and Machinery, and Investments in Government Commercial Undertakings —Road Services.

46. **Rolling Stock Expenditure in 1964-65 Budget.**—Of the expenditure of 128·71 crores expected to be adjusted in 1964-65, under Rolling Stock,

a sum of 97·26 crores is for Programmed Deliveries and 31·45 crores for New Acquisitions. The expenditure anticipated under the different main categories of Rolling Stock is shown in the table below:—

(In lakhs of rupees)

Particulars	Deliveries against 1964-65 Programmes	Deliveries against earlier Programmes
Locomotives	7,18	21,32
Boilers	..	28
Carriage	64	21,83
Wagons	23,63	53,60
Ferries	..	23
TOTAL	31,45	97,26

(The Railway-wise distribution of the provision is given at pages 137—141 of Part I of the Consolidated Works, Machinery and Rolling Stock Programme of Railways).

Out of the Rolling Stock valued at 128·71 crores referred to, 114·71 crores, i.e., about 89 per cent, is proposed to be obtained from Railway Workshops and Manufacturing units and indigenous manufacturers.

The Programme of New Acquisition (i.e., items included in the Budget for the first time) includes provision for the following units of Rolling Stock:—

Particulars	To be obtained from-abroad	To be obtained from indigenous sources	Total
(*a*) Locomotives—			
(*i*) Steam		132	132
(*ii*) Diesel	63	45	108
(*iii*) Electric	..	..	..
(*b*) Boilers	..	31	31
(*c*) (*i*) Carriages	..	887	887
(*ii*) Rail Cars	..	..	..
(*iii*) Electric Multiple units	..	20	20
(*d*) Wagons (in terms of 4 wheelers)	..	30,082	30,082
(*e*) Cranes	..	..	..

47. **Machinery and Plant Expenditure in 1964-65 Budget.**—The Budget provision for Machinery and Plant is 3·96 crores, which comprises 3·81 crores for Programmed Deliveries and 15 lakhs for New Acquisitions. The total commitment involved in respect of New Acquisitions of Machinery and Plant (both on Additional and Replacement

account) is 4·46 crores, of which the expenditure proposed for the year 1964-65 is 15 lakhs.

Replacements of Machinery and Plant in 1964-65 Programme (New acquisitions), as usual, will be made on condition basis, i.e., only those items have been selected for replacement as have outlived their useful life and are beyond economic repairs.

A summary of the requirements of each Railway, under New Acquisitions as well as Programmed Deliveries, is given in pages 142-143 of Part I of the Consolidated Works, Machinery and Rolling Stock Programme of Railways.

48. **Provision for New Line Constructions in 1964-65.**—The total provision on this account is 85·32 crores, excluding credits of nine lakhs for recoveries from Port authorities for part of the cost of the Project 'Ore Yard and sick lines at Waltair', forming part of Kottavalasa—Bailadilla Railway Project. The different projects are listed below, with brief particulars:

(In lakhs of rupees)

S. No.	Name of Project	Expenditure upto 1963-64	Provision for 1964-65	Balance to complete (including value of residual adjustments after opening)	Probable date of completion
1	Igatpuri-Bhusawal Electrification Project (Central Railway)	31·01	400·00	1382·19	In two stages, namely, March 1966 and December 1966. After 1964-65, pace of expenditure will be greatly accelerated.
2	Diva Panvel-Uran.—Construction of New Line (Centra Railway) . . .	224·19	44·00	36.56	1964.
3	Panvel-Apta.—Construction of New Line (Central Railway) .	35·92	13·50	29·36	1964.
4	Parasia-Sirgora.—Extension of Amla-Parasia Line to Sirgora (Central Railway) . .	0·10	1·00	115·90	A nominal provision has been made in 1964-65 pending firm assessment by the Ministry of Mines and Fuel of the extent of deposits to be served by this coal line'.
5	Butibori-Umrer—Construction of New Line to serve Umrer Coal-fields (Central Railway)	65·80	125·00	85·20	1965

(In lakhs of rupees)

S. No.	Name of Project	Expenditure upto 1963-64	Provision for 1964-65	Balance to complete (including value of residual adjustments after opening)	Probable date of completion
6	Provision of a new link between Chandrapura Bondamunda (Rourkela) (Eastern Railway)				
	(*b*) Chandrapura-Hatia Construction. . . .	1072·23	67·00	196·77	Opened 22-3-1961.
	(*b*) Hatia-Bondamunda Construction . .	1412·60	97·75	63·86	Opened to traffic on 26-1-1964.
7	Tildanga-Farakka Construction (Eastern Railway) .	46·35	0·70	16·05	Opened to traffic on 9-11-1960
8	Proposed B.G. Line to serve the area previously served by Baraset-Basirhat Light Railway (Eastern Railway) .	234·78	7·50	13·85	Opened to traffic on 9-2-1962
9	Proposed B.G. line to serve the area now being served by Bakhtiarpur-Rajgir-Light Railway (Eastern Railway) .	255·84	2·05	8·79	Fully Opened to traffic on 1-4-1962.
10	Construction of a Broad Gauge Railway line between Ghaziabad and Tughlakabad including second Yamuna Bridge at Delhi (Northern Railway) . .	211·19	119·36	20·89	1964-65
11	Provision of Delhi avoiding lines (Ring Railway) (Northern Railway)	126·99	49·23	66·80	Date of completion depends on release of land over some sections by certain other department of the Government of India, with whom the matter is being progressed.
12	Construction of New Line from Hindu malkot to Sriganganagar (Northern Railway)	0·77	0·50	99·39	The construction has been held up due to the promised offer of 'shramdan' not being forth coming and also due to state Government not being able to make land available yet..
13	Construction of Madhopur-Kathua Rail Link (Northern Railway) . .	168·16	19·73	..	Middle of 1965 according to latest assessment of girder supply position.
14	Robertsganj-Garhwa Road Railway Project (Northern Railway)	1792·29	12·06	329·50	Opened to traffic on 19-10-1963.

(In lakhs of rupees)

S. No.	Name of Project	Expenditure upto 1963-64	Provision for 1964-65	Balance to complete. (including value of residual adjustments after opening)	Probable date of completion
15	Construction of Rail Link between Singrauli Coalfields and Obra on the New Roberts ganj-Garhwa Road Line (Northern Railway) .	481·85	312·82	346·70	1965-66.
16	Construction of Morwa (Singrauli)-Katni Rail Line from km. 0 to km 148 (Northern Railway portion) .	79·84	340·95	1032·25	December, 1967.
17	Brahmaputra Bridge Project (Northeast Frontier Railway) .	818·37	5·00	19·84	Open to passenger traffic from 16-1-1963.
18	Rangapara-Lakhimpur-Murkong Selek.—Construction Project (Northeast Frontier Railway)				Rangapara Dhalaibil Section opened to traffic on 10-3-1962 and Dhalaibil-Lakhimpur Section opened to goods traffic on 10-6-1962 and passenger traffic on 15-1-1963. Rest likely to be opened in stages during 1966.
19	Khejuriaghat-Malda.—New Line (Northeast Frontier Railway)	364·78	3·00	..	Opened to traffic on 10-4-1961.
20	Construction of a Broad Guage Line from near Siliguri to Jogighopa in Assam (Northeast Frontier Railway) .	600·00	1200·00	1400·00	1965.
21	Kalkalighat-Dharmanagar.—New Line (Northeast Frontier Railway) . .	191·17	5·50	33·33	1963-64.
22	Kumedpur-Barsoi. New Rail Link (Northeast Frontier Railway)	93·47	0·10	0·88	Opened to traffic on 12-10-1961.
23	Electrification of Madras (Egmore) Tambaram-Villupuram Section (Southern Railway) . . .	273·42	137·40	36·48	1964.
24	Madras (Beach)-Tambaram Suburban Section—Conversion from 1500 VDC to 25 KV AC traction (Southern Railway)	11·99	82·86	14·45	March, 1965.
25	Bangalore-Selem Railway Construction (Metre Gauge) Southern Railway)	202·47	153·18	494·13	December, 1966.
26	Construction of New Line between Vihudhunagar and Manamadurai (Metre Gauge) (Southern Railway)	185·86	44·82	0·40	Virudhunagar-Aruppukottai opened to traffic on 5-9-1963. Rest in June, 1964.

(In lakhs of rupees)

Sl. No.	Name of Project	Expenditure upto 1963-64	Provision for 1964-65	Balance to complete (including value of residual adjustments after opening)	Probable date of completion
27	Mangalore-Hassan Railway Construction (Southern Railway)	20·00	50·00	1911·00	The construction of a line to link the new port side with the existing Mangalore rail head has been authorised. The main project, which is an approved plan work, will be constructed after examination of the Project Report received recently.
28	Extension of Champa-Korba line including additional facilities (Southeastern Railway) .	135·99	14·72	24·06	1964.
29	Baoridand-Karonji Construction (Southeastern Railway) .	689·95	23·19	32·69	Opened to traffic on 1-10-1962.
30	Railway Branch line to serve Korea Coalfields and Branch line from Karonji to Jayanagar (Section I) including Kunda Sub-Branch (Section II) leading to Block II and 'A' in C.I.C. fields (Southeastern Railway) . . .	248·94	4·00	33·92	Karonji-Jayanagar line opened to traffic on 1-10-1962. A part of the line to Korea Coalfields opened to traffic on 22-2-1962. Rest is likely to be opened to traffic during 1964.
31	Construction of Morwa (Singrauli) Katni Rail Line from Km. 148 to Km. 256 (Southeastern Railway portion)—Note—*Vide* Item 16 above. .	59·60	200·00	938·68	December, 1967.
32	Rail Link to Haldia Port (Southeastern Railway) . . .	25·70	285·78	458·52	1966.
33	Works at Waltair forming part of Kottavalasa-Bailadilla Railway Projects (Southeastern Railways): . . .				
	(*a*) Diesel loco shed at Waltair, including quarters	16·99	49·00	107·51	
	(*b*) Ore Exchange yard and sick lines at Waltair .	2·50	21·00	46·50	
	(*c*) Staff Quarters at Waltair. .	..	1·00	1·80	
34	Provision of a branch line from Rourkela to Dumaro (Southeastern Railway) . . .	736·13	1·80	..	Opened to traffic on 19-4-1960.
35	Barabil-Panposh Gorge Construction (Southeastern Railway). .	109·61	4·50	..	Opened to traffic on 20-4-1960.

(In lakhs of rupees)

Sl. No.	Name of Project	Expenditure upto 1963-64	Provision for 1964-65	Balance to complete (including value of residual adjustments after opening)	Probable date of completion
36	Bhilai-Dhalli Rajhara Construction (Southeastern Railway) .	433·07	0·04	..	Opened to traffic on 16-5-1958.
37	Jhund-Kandla (Broad Gauge) Link (Western Railway) . .	0·08	1·00	798·92	Further evaluation of likely volume of, traffic and its routing is in hand, prior to undertaking the construction.
38	Udaipur-Himmatnagar—(Metre Gauge) Link (Western Railway)	934·66	112·75	9·04	1965.
39	Guna (Rothiai)—Shajapur-Maksi Construction (Western Railway)	296·45	272·75	391·30	1966-67.
40	Dandakaranya-Bolangir-Kiriburu Railway Projects—				
	(*a*) Kottavalasa-Bailadilla Construction . . .	2173·49	1129·33	1993·20	1966.
	(*b*) Sambalpur-Titilagarh Construction	1079·93	89·58	289·25	Opened to traffic on 15-4-1963.
	(*c*) Bimlagarh-Kiriburu Construction . . .	515·12	34·38	57·96	Opened to traffic on 16-4-1963.
41	Railway Electrification—				
	(*a*) Gaya-Moghalsarai . .	566·99	58·06	188·15	Energised by 25-7-1962.
	(*b*) Kharagpur-Tatanagar .	375·74	1·68	5·63	Energised upto Nimpura by 4-1-1963.
	(*c*) Kharagpur-Tatanagar-Double Line. . . .	0·10	4·07	244·63	September 1965.
	(*d*) Sealdah-Ranaghat, Dum-Dum-Bongaon . .	1242·62	308·99	168·08	Sealdah-Ranaghat energised by, 23-10-1963 and Dum Dum-Bongaon by March, 1964.
	(*e*) Sealdah South, Ranaghat-Krishnagar and Kalinara-Yanpur-Santipur . .	70·44	90·76	895·68	In stages by March 1964 and March, 1965
	(*f*) Howrah-Kharagpur . .	26·98	22·34	1077·64	December, 1966.
	(*g*) Waria-Burdwan, Bandel-Naihati, Saktigarh-Docks, Dankuni-Belur . .	251·82	957·53	1393·10	March, 1965.
	(*h*) Conversion of Howrah-Bandel-Burdwan and Tarakeshwar Branch Line .	118·08	146·09	469·52	1955.

(In lakhs of rupees)

Sl. No.	Name of Project	Expenditure upto 1963-64	Provision for 1964-65	Balance to complete (including value of resideual adjustments after opening)	Probable date of completion
(i) (a)	Moghalsarai-Allahabad (b) Allahabad-Kanpur	369·00	513·51	1126·84	(i) March, 1965. (ii) 1966.
(j)	(i) Anara-Rukni, Ara-Rukni, Rukni-Bhojudih, Bhojudih Jamadoba Washery.				
	(ii) Santaldih-Bhojudib washery, Adra-Garh Dhrubeshwar, Adra-Joychandipahar, Damodar Radhanagar and triangle line to Chinakuri sidings and Ram Kanali-Chaurasi. . . .	75·49	74·43	13·06	(i) March, 1965. (ii) Energised by July, 1963.
(k)	Dangoaposi-Gua, Barajamda-Bolani, Padapahar-Banspari.	1·60	111·88	203·15	March, 1966
(l)	Rourkela-Birmitrapur Section of Southeastern Railway . .	23·01	2·66	48·31	March, 1964.
	TOTAL . . .	..	8532·23	..	

49. **Residual adjustments provided for in 1964-65 Budget on account of dismantled lines.**—A small provision of 1.00 lakh has been made on this account.

(In lakhs of rupees)

Name of Project	Expenditure upto 1963-64	Provision for 1964-65	Balance to complete	Probable date of completion
Restoration of Balamau-Madhoganj-Unnao Section	101·63	1·00	..	Already opened.
TOTAL . . .	..	1·00	..	

50. **Track-Renewals in 1964-65.**—The programme of Track Renewals has been drawn up, keeping in view the total plan allotment; accordingly, a provision of 56·43 crores has been made in the Budget year, for Track Renewals. Out of this, a provision of 42·64 crores is for Works in Progress and 13·79 crores for New Works.

51. **Other Open Line Works, 1964-65.**—The provision for other open line works is 135.04 crores. About 85 per cent of this is for augmenting line capacity and other operating improvements to handle the volume of anticipated additional traffic; the balance is for bridge works, users' amenities, staff quarters and amenities for staff, as shown in the table below:—

(In lakhs of rupees)

Particulars	Capital	Depreciation Reserve Fund	Development Rund	Open Line Works (Revenue)	Total
I. *Bridge Works*					
(*a*) Works in Progress . .	83	2,59	50	16	4,08
(*b*) New Works . . .	..	74	1	9	84
II. *Operating Improvement* :					
(b) Works in Progress . .	73,59	5,63	19,03	7,41	105,66
(*b*) New Works . . .	2,93	32	1,86	3,82	8,93
III. *Staff Quarters* :					
(*a*) Works in Progress . .	76	14	4,48	42	5,80
(*b*) New Works . . .	25	4	1,68	41	2,38
IV. *Staff Amenities* :					
(*a*) Works in Progress . .	6	9	1,98	47	2,60
(*b*) New Works . . .	..	1	62	26	89
V. *User's Amenities* :					
(*a*) Works in Progress . .	..	..	2,46	..	2,46
(*b*) New Works . . .	..	5	1,35	..	1,40
SUMMARY					
(*a*) Works in Progress . .	75,24	8,45	28,45	8,46	120,60
(*b*) New Works . . .	3,18	1,16	5,52	4,58	14,44
GRAND TOTAL. . .	78,42	9,61	33,97	13,04	135,04

Particulars of Open Line Works in 1964-65 Budget.—New Works each estimated to cost 20 lakhs and above, and important works in progress, are listed in Sections (a) and (b) of Appendix I to this Memorandum.

Full details of new works proposed to be taken up during 1964-65 are given in the individual Railways' Consolidated Works Programme. Works estimated to cost one crore or more are detailed below:

(In lakhs of rupees)

Serial No	Particulars	Anticipated cost	Outlay proposed for 1964-65
1	Amla-Nagpur Section.—Doubling of section between Teegaon and Chichonda (10·25 miles)	4,02	50
2	Marapahar.—(i) Provision of a new marshalling yard for the proposed Steel Plant at Bokaro	5,25	3
	(*ii*) Provision of an Exchange Yard to serve the proposed Steel Plant at Bokaro	1,75	2
3	Between Renigunta and Balapalle and Cuddapah and Nandalur—Regarding of ghat section.	1,85	50

Line capacity is proposed to be augmented on a number of sections.

Particulars of Open Line Works New Works.—The List of new works, each costing between 5 and 20 lakhs is given on pages 121—133 of Part I of the Consolidated 'Works, Machinery and Rolling Stock Programme'.

52. **Investments in Government Commercial Undertakings—Road Services 1964-65.**—A provision of 2·00 crores is proposed for investments in Government Commercial Undertakings—Road Services during 1964-65. A statement showing the investimates proposed to be made in 1963-64 and 1964-65 is given in pages 114-115 of Part I of the Consolidated 'Works, Machinery and Rolling Stock Programme'.

53. **Purchase of Railway Lines, etc.**—A provision of 87·88 lakhs has been included in the Budget for 1964-65, to cover the following two items requiring specific mention:—

(a) Purchase from Hindustan Steel Ltd., of their broad gauge siding (about 12 miles long) from Bhilai to Ahiwara (referred to as Bhilai-Deorjhal siding), at a cost of about 83 lakhs (precise amount to be worked out based on details awaited from Hindustan Steel Ltd.).

(b) Acquiring of a metre gauge line (about 22 miles long), from Nanjangud to Chamrajanagar, at a cost of 4·88 lakhs, from local bodies in Mysore on 1st April, 1964.

Decision in regard to (a) above, has been taken, keeping in view the growing demands of cement and other ancillary industries in the area, which, it is considered, can be best served by working this section as a branch line of the Railway for general use.

The transaction referred to at (b) above, pertains to a negotiated settlement with the State Government of Mysore acting for the local bodies concerned, on whose behalf the line has hitherto been worked by the Southern Railway.

The amount itself is nominal (4·88 lakhs), but is specifically itemised in the Book of Demands in view of its being in the nature of a 'New Service'.

54. **Stores and Manufacture Suspense and Miscellaneous Advances, 1964-65.**—There is an increased provision of 6·09 crores under Suspense heads (net)—made up of an increase of 8·91 crores under Stores Suspense and 0·75 crore under Manufacture Suspense and a reduction of 3·57 crores under Miscellaneous Advances. The increase under Stores Suspense of 8·91 crores is on account of more purchases expected to be made in the Third Plan, for unavoidable increased maintenance requirements owing to expansion of Railway assets and for building up of the requisite stocks to facilitate timely execution of the enlarged programme of Railway development. The increase of 0·75 crore in Manufacture Suspense is mainly due to anticipated increase in production in Railway workshops and production units. The reduction of 3·57 crores in Miscellaneous Advances is mainly due to the fact that, against advance (progress) payments made in 1963-64 for imported materials and debited to this head in 1963-64, there will be credits to the head on receipt of materials in 1964-65.

55. **Credits for released materials, 1964-65.**—Credits for released materials to the extent of 12·70 crores are expected to be adjusted in the accounts of the Budget year; these do not figure in the gross demands.

56. **Summary of Capital (Works) Budget, 1964-65.**—The distribution of the total estimated net expenditure of 370 crores during 1964-65 on Works, Machinery and Rolling Stock Programme of Railways, by Demands, is as follows:

	(In crores of rupees)
Demand No. 13—Open Line Works-Revenue	13·00
Demand No. 14—Construction of New Lines	80·71
Demand No. 15.—Additions and Replacements	243·29
Demand No. 16—Development Fund	33·00
TOTAL	370·00

57. For further particulars of the Budget Estimates of expenditure chargeable to Capital, Deprecation Reserve Fund, Development Fund and Open Line Works (Revenue), reference is invited to the Consolidated "Works, Machinery and Rolling Stock Programme of Railways—Parts I and II".

S. JAGANNATHAN,
Financial Commissioner, Railways.

11th February, 1964.

APPENDIX I

(a) The new open line works costing 20 lakhs and more for which funds have been provided in 1964-65 are:—

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Anticipated cost	Provision for 1964-65	Balance to complete work
	CENTRAL RAILWAY			
1.	Amla-Nagpur Section.—Doubling of Section Between Teegaon and Chichonda (10·25 miles) . .	4,02	50	3,52
2.	Bhusawal.—Mechanisation of the Hump in the Up Yard	30	7	23
3.	Igatpuri-Nandgaon Section.—Provision of colour light signalling on 22 stations	23	1	22
4.	Wadi Bunder.—Shifting of parcel facilities from Victoria Terminus to Wadi Bunder . . .	25	7	18
5.	Dhond.—Provision of Diesel Loco Shed for housing 40 Locs	60	8	52
	EASTERN RAILWAY			
6.	Naihati.—Provision of Fly-over	42	5	37
7.	Gomoh.—Remodelling of yard	25	6	19
8.	Marapahari.—(i) Provision of a new Marashaling Yard for the proposed Steel Plant at Bokaro . . .	5,25	3	5,22
	(ii) Provision of an exchange Yard to serve the proposed Steel Plant at Bokaro . . .	1,75	2	1,73
9.	Howrah.—Extension of Divisional Superintendent's Office building	30 R. 1	1	29
10.	Provision of Very High Frequency Microwave Channel Radio communication connecting Howrah, Sahibganj and Jamalpur	22	1	21
	NORTHERN RAILWAY			
11.	Line capacity works required in conection with acceptance of 3770 wagons (Phase II) from the Eastern Railway via. Moghalsarai/Chunar . .	22	6	16
12.	Julundur City.—Pathankot Section.—Povision of four additional crossing stations	20	3	17
	NORTHEASTERN RAILWAY			
13.	Kasganj.—Remodellnig of yard	24	3	21
14.	Barabanki.—Provision of additional facilities in the yard	23	4	19
15.	Gorakhpur.—Development of colony at Bichia and Kusmi.	29	8	21

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Anticipated cost	Provision for 1964-65	Balance to complete work.
	NORTHEAST FRONTIER RAILWAY			
16.	Lumding -Badarpur Section.—Provision of Standard interlocking at 24 stations on the section . .	21	3	18
	SOUTHERN RAILWAY			
17.	Provision of Automatic Block with colour light signalling between Villivakkam and Avadi . .	31	5	26
18.	Provision of Relay Automatic Block between Guntakal and Renigunta	38·00	0·10	37·90
19.	Between Renigunta and Balapalle and Cudapah and Nandalur—Regrading of ghat section . . .	1,85	50	1,35
20.	New Terminal for Madras area	49·15	0·15	49
21.	Provision of Diesel Loco Shed at Erode with Turn Round facilities at Cochin Harbour Terminus .	45	20	25
22.	Vijayawada.—Additional yard facilties for dealing with the down traffic phase II	60	10	50
	SOUTHEASTERN RAILWAY			
23.	Khargpur.—Construction of 300 units of type I Quarters in replacement of (Old bazar type) Quarters in the old settlement	25	3	22
24.	Khargpur.—Provision of Retarders and mechanisation of the Hump on the new marshalling yard near Khargpur.	35	5	30
25.	Tatanagar.—Provision of Retarders and mechanisation of the Hump on the new marshalling yard. . .	25	3	22
26.	Provision of a fly-over at Andul for trains to Shalimar	60	10	50
27.	Waltair.—Provision of Retarders and Mechanisation of the Hump on the new marshalling yard. . .	35	5	30
28.	Remodelling of Adra Yard along with extension to loops.	30	6	24
29.	Khargpur.—Regirdering of 7—300' spans of the Down line Rupnarain Bridge	92	1	91
30.	Adra.—Regirdering of the existing 6 Nos. 200 ft. spans of type 706/A of Damadar Bridge No. 520 at Mile 195·41 between Madhukunda and Damodar . .	34	1	33
31.	Bilaspur.—Replacement of the existing 9 Nos. 150' spans of type 7224 of Brahmani Bridge No. 124 at Mile 260·55 between Panposh and Kalunga . .	32	2	30

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Anticipated cost	Provision for 1964-65	Balance to complete work
	SOUTHEASTERN RAILWAY—*concld.*			
32.	Bilaspur.—Replacement of the existing 9 Nos. 150-spans of type 7224 of Ib Bridge No. 182 at mile 325·446 between Jharsuguda and Brijrajnagar .	32	2	30
33.	Bilaspur.—Replacement of existing 7 Nos. 150 ft. span of type 7951 of Sheonath Bridge No. 348 at mile 541.69 between Durg and Rasmara . .	25	1	24
34.	Nagpur.—Replacement of the existing 9 Nos. 150 ft. spans of type 7951 of Weinganga Bridge No. 116 at mile 650·196 between Mundikota and Tumsar Road.	32	2	30
35.	Provision of additional type I and II quarters at 5 divisional headquarters *via.*—Waltair, Khurda Road, Khargpur, Bilaspur and Nagpur in connection with introduction of the divisional scheme .	43	3	40
36.	Bondamunda—Expansion of the Diesel shed. . .	26	3	23
37.	Raipur—General Stores Depot	32	5	27
38.	Remodelling of Waltair Yard to provide additional facilities to deal with passenger services . .	27	4	23
39.	Extension of Directional Radio Multi-channel system (Microwave) from Jharsuguda to Waltair with a spur at Khurda Road	22	2	20
	WESTERN RAILWAY			
40.	Bombay Central—Providing additional facilties in the car shed for maintenance of Electrical Multiple Unit stock.	45	8	37

APPENDIX I

(b) The important open line works in progress each costing 20 lakhs or more for which funds have been provided in 1964-65 are:—

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	CENTRAL RAILWAY				
1.	Dornakal-Vijayawada Section.—Doubling of Section between Khammameth and Yerupalayam	R. 3,616	1,74	76	1,11
2.	Thana.—Acquisition of land for a goods shed (48 acres)	51·52	0·10	5·00	46·42
3.	Bhusawal Up Yard Remodelling . .	70·46	67·82	2·00	0·64
4.	Kalyan.—Remodelling of the Yard . .	R. 575	56	1	..
5.	Bhusawal.—Remodelling of Down Yard .	49·84	49·52	0·32	..
6.	Jabalpur.—Katni Section Doubling of section between Sleemanabad Road and Katni South (16·75 miles) . . .	R. 996	97	2	..
7.	Itarsi and Gurra.—Doubling between .	R. 552	52	3	..
8.	Jabalpur-Katni Section.—Doubling of line between Jabalpur and Adhartal . .	R. 522	49	3	..
9	Jabalpur-Katni Section.—Doubling of line between Adhartal and Sleemanabad Road and Katni South to Katni (35 miles) .	R. 2,029	1,02	53	47
10.	Itarsi-Bhopal Section.—Doubling of the Section between Barkhera and Misrod .	R. 1,973	1,4c	51	6
11.	Itarsi-Jabalpur Section.—Doubling of Section between Salichauka Road and Bohani	R. 1,463	1,17	21	8
12.	Bagratawa and Sobhapur (20·22).—Doubling of section between	R. 1,648	1,23	38	3
13.	Bheraghat and Bhitoni (8 miles).—Doubling of section between	R. 442	43	1	..
14.	Itarsi -Jabalpur Section.—Doubling of the section between Kathotia and Ghatpindari (*i.e.*, crossing station on either side of Narsingpur) (9·9 miles)	R. 811	59	15	7

(Figures in lakhs of rupees)

Serial No.	Particulars of work		Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	CENTRAL RAILWAY—*contd.*					
15	Doubling of line from Yerupalayam to mile 334/10 (22·80 miles) on the Yerupalayam-Vijayawada Section . .	R	1,87 2	1,51	19	17
16	Katni-Satna Section.—Doubling of section between Katni and Jukehi (10·50 miles)	R	71 2	42	17	12
17	(*a*) Belampalli-Kazipet.—Doubling of section between Peddampet and Raghavapuram (9 miles)					
	(*b*) Hasanparti Road and Kazipet (7 3/4 miles)	R	1,27 6	51	51	25
18	Kazipet.—Remodelling of Yard . .		53	19	10	24
19	Wadi Yard.—(*a*) Provision of two additional sorting lines of 2250′ CSR and extension of all receiving and departure lines to 2250′ CSR . . .					
	(*b*) Extension of loop lines to 2250′ CSR at 9 stations,, *viz.*, Nalwar, Thangundi, Yadgiri, Lingiri, Narayanpeth Road, Chegunta, Krishna, Chicksagar, Yermares		22	14	4	4
20	Dornakal and Khammameth.—Doubling of section between (14·25 miles) .		1,61	1,25	27	9
21	Bina-Bhopal Section.—Doubling of section between (*i*) Salamatpur and Pabai (29·50 miles). (*ii*) Bareth and Bina River (18·25 miles) with Single gauntletted track on Bina and Betwa river bridges		3,96	59	52	2,85
22	Itarsi-Bhopal Section.—Doubling of section between Itarsi and Powerkheda (5 miles) Powerkheda and Hoshangabad (6 miles)		81	79	1	1
23	Itarsi.—Remodelling of goods yard .		34	6	11	17
24	Bina-Jhansi Section.—Doubling between Jhansi and Bijoli (5·25 miles) .		32	12	15	5
	Bina-Katni Section.—Partial doubling of (82·51 miles) :—					
25	New Katni and Hardua (10·94 miles) .		1,19	5	30	84
26	Salaia and Bandukpur (28·04 miles) .		4,67	5	50	4.21
27	Patharia and Saugor (31·58 miles) .		3,72	5	50	3,17

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	CENTRAL RAILWAY—*contd.*				
28	Jeruwakhera and Sumreri (5·80 miles)	78	3	20	55
29	Bina and Baghora (6·15 miles) .	55	2	15	38
30	Doubling and regrading of Karari-Datia-Sonagir (17·1 miles) . . .	1,40 R 2	6	31	1,03
31	Antri-Sandalpur-Sithouli (11 miles) Sub-sections of the Jhansi-Agra Section .	1,52 R 4	8	41	1,03
32	Jabalpur-Itarsi Section.—Doubling of Section between Gurra-Bagratawa (7·87 miles) excluding Bagratawa-Viaduct and Bagra tunnel (total length 2 miles) .	76	5	15	56
33	Sobhapur-Salichauka Road (27·30 miles) Doubling between . . .	2,47	4	50	1,93
34	Bohani-Kathotia (13·47 miles)—Doubling between	1,18	8	20	90
35	Ghatpindrai-Bhitoni. (29·14 miles) (excluding Sher Bridge length one mile)—Doubling between .	2,83	6	30	2,47
36	Igatpuri—Provision of New UP Yard with separate engine line and connecting Down shunting neck Down Yard .	27	5	7	15
37	Sholapur-Wadi Section.—Doubling of section between Shahabad and Wadi .	92	3	20	69
38	Replacement of Rotary converter sets by rectifier units at Kurla Sub-Station .	22·50	0·10	0·92	21·48
39	Secunderabad-Kazipet Section.—Doubling (45 miles) :—				
	(*a*) Patch doubling of the Section between Secunderabad-Bibinagar (20½ miles).				
	(*b*) Patch doubling of the section between-Bhongir Pembarati (19 3/4 miles).				
	(*c*) Patch doubling of the section between Pendial-Kazipet (4 3/4 miles) .	2,98	1,64	55	79
40	Thana (Exc) Kalyan (Exc.)—Extension of automatic block system . . .	81	42	3	36
41	Bombay Area (Kurla).—Acquisition of land for building Staff Quarters .	29	19	1	9

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	CENTRAL RAILWAY.—*contd.*				
42	Jhansi-Kanpur Section. Regirdering of Jamuna bridge at Kalpi between miles 792/14 and 793/7 (10/250 spans) .	62·00	0·05	0·05	61·90
43	Jhansi-Manikpur Section.—Regirdering of 13/150 and 1/60' spans of Betwa Bridge at Miles 709/0-9 . .	51	31	19	1
44	Jhansi-Manikpur Section.—Regirdering of 13/100' spans of Dassan bridge at Miles 749/23	23	17	6	..
45	Kurla.—Construction of 156 units type II Multi-storeyed Quarters for India Optee Railway Refugees . .	22	12	10	..
46	Bhandu-Thana.—Provision of Automatic block Signalling . . .	40·91	40·71	0·20	..
47	Provision of arterial siding (7 miles) between Ghatkopar-Thana by the side of Down Local and acquisition of land by the side of up main line . . .	82	11	10	61
48	Secunderabad.—Provision of IRSSET Building	35·00	0·10	1·00	33·90
49	Kalyan.—Provision of Power frames or panels with colour light signals .	31	3	1	27
50	Provision of new metre gauge yard and break of gauge tranship shed between Maula-Ali-Malkajgiri and in replacement of the existing metre gauge yard and the break of guage tranship shed at Secunderabad and other ancillary facilities	1,21	11	10	1,00
51	Maramjhiri and Ghoradongri.—Doubling of the section between . . .	4,60	37	82	3,41
52	Amla and Barsalee.—Doubling of the section between . . .	55	20	20	15
53	Jhansi Workshop.—Increasing repair facilities and provision of two alternators 1500 KVA capacity to meet the increased power load (Phases I & II) . .	1,55	1,26	10	19
54	Matunga.—Release of Shop No. 8 for wagon repairs and building a new office for Stores Department . .	25	24	1	..
55	Mettuguda.—Expansion of the Signal and Telecommunication Worskshop—Opening of new Electrical Signalling Section .	27	17	2	8

(Figures in lakhs of rupees)

Serial No.	Particulars of work		Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	CENTRAL RAILWAY—*concld.*					
56	Parel Shops.—Extension of the additional bay Phases II and III . . .		23	20	1	2
57	Katni Diesel Loco Shed . . .	R	67 1	54	6	7
58	Provision of facilities for homing 30 additional Locos at New Katni Loco Shed .		68	1	7	60
59	Balharshad.—Remodelling of yard .		29	2	9	18
	EASTERN RAILWAY					
60	Chitpur.—Remodelling of Yard .	R	18 2	15	1	2
61	Bandel-Monigram Section.—Extension of loops to 60 wagons with alteration to interlocking at 19 stations including Monigram		25	5	10	10
62	Andal-Sainthia Chord.—					
	(i) Extension of loops to hold 70 wagons (ii) Raising of the standard of interlocking from Standard I and II with simultaneous reception and despatch facilities		25	2	2	21
63	Moghalsaria.—Expansion of Girder yard in Plant Depot for augmenting capacity for fabrication of girders . .		23	4	4	15
64	Construction of an additional line between Dhanbad and Pathardih skirting Jharia Coalfields (9 miles) . .		1,50	10	20	1,20
65	Doubling Phusro-Bhandaridah (3 miles) including 2 additional loops at Bhandaridah	R	44 1	16	17	11
66	Damodar.—Avoiding line from Damodar station to Kalipahari to avoid Asansol yard and alteration to Kalipahari Yard .		1,08	1,03	5	—
67	Patratu.—Provision of a Diesel Shed for 40 Engines		65	49	4	12
	Doubling between Sonachara and Toposi .	R	29 1	5	8	16
69	Doubling between Chandrapura-Gomoh Section (11 miles) including one additional loop at Chandrapura . .	R	1,29 2	43	43	43
70	Siding to serve NCDC's Ramgarh Colliery off Mael (or Gola Road) Railway Station		25 1,00 Deposit	5	10	10
71	Exchange Yard to serve the proposed Steel plant at Bokaro—Acquisition of land .		50	1	10	39

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost.	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	EASTERN RAILWAY—*contd.*				
72.	Dugda Washery (Stage II).—Remodelling of yard according to Master Plan for Phase I . . . . . Deposit	33 1,01	7	3	23
73.	Howrah.—Fly over crossing for goods line between Liluah sorting yard and Howrah goods over S.E. Ralilway Main Line and alteration to goods yard connected therewith to facilitate operation and prevent hold up to goods traffic . .	55	37	10	8
74.	Pathardih.—Additions and alterations to yard.	28	23	3	2
75.	Provision of 3rd line from Mile 5 B to East Dock Jn.	23	19	3	1
76.	Doubling between Patratu and Tori and also between Kumandih and Barwadih on Barkakana Loop (58 miles) including yard and weighment facilities at Ray Station	5,58 R. 1	4,15	44	99
77.	Extension of Patratu-Damador Branch upto coal bearing areas (3-1/8 miles) . .	24	18	5	1
78.	Provision of 660 wagons depot yard at Patratu and ancillary works to deal with additional coal traffic for Karanpura Coal fields	1,88	1,89	5	—6
79.	Doubling between Andal and Sonachara (5 miles) including two additional lines at Sonachara	46 R. 1	33	8	5
80.	Doubling between —				
	(*i*) (*a*) Sripur Exchange Yard and Baraboni (4 miles).				
	(*b*) Baraboni and Sitarampur (8 miles) .				
	(*ii*) Two additional lines at Sripur and conversion of Sripur into a Block Station	1,21 R. 4	35	42	44
81.	Doubling between Ukhara and Pandaveswar (5·50 miles) including ancillary yard at Ukhara and loop with standard III interlocking at Kajoragram including water supply arrangement at Ukhara .	77 R. 1	46	21	10
82.	Doubling Phularitand to Jamuniatand upto taking off points of Dugda Washery including 2 washing lines at Phularitand .	56 R. 1	27	18	11

(Figures in lakhs of rupees)

Serial No.	Particulars of work		Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	EASTERN RAILWAY—*contd.*					
83.	Andal.—Yard remodelling (Phase I)		2,21	2,06	6	9
		R.	3			
84.	Andal.—Yard remodelling (Phase III)		49	41	6	2
		R.	3			
85.	Asansol.—Conversion of East Yard into forward movement yard.		24	5	19	..
		R.	1			
86.	Extensin of avoiding line between Mugma and Thaparnagar		25	5	10	10
87.	Andal.—Doubling of the remaining portion of Durgapur Exchange Yard avoiding line upto fly over at west end		30	10	8	12
88.	Doubling of the section between Sainthia and Barharwa (66 miles)		5,71	80	69	4,22
89.	Howrah.—Provision of additional goods shed facilities and yard in the area between Banaras Bridge and Tikiapara foot over bridge		36	35	1	..
90.	Andal.—Remodelling of yard (Phase II)		41	29	3	9
		R.	1			
91.	Moghalsarai.—Remodelling of yard (Phase II)		38	31	1	6
		R.	1			
92.	Sealdah.—Replacement of temporary quarters other than in Calcutta area by type II Quarters (30 Units)		25	22	3	..
93.	Provision of Divisional Office building at Dhanbad (non-air-conditioned and staff quarters)		51	47	3	1
94.	Additional 303 quarters different types at Patratu		31	7	4	20
95.	Sealdah.—Remodelling of yard including route relay interlocking		1,33	58	3	72
		R.	2			
96.	Ranaghat.—Provision of a Loco Shed		24·63	21·31	0·20	3·12
97.	Ballygunge.—Remodelling of Ballygunge station yard.		38	13	2	23
98.	Provision of a new building for a Printing Press Stationery Stores, Printing Office along wih two hundred staff quarters at Belgharai		82·82	0·30	1·15	81·37

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	EASTERN RAILWAY—*contd.*				
99	Remodelling of Kanchrapara Workshop for undertaking overhaul of Electric Locomotives and Electric Multiple Unit Coaches	56	20	15	21
100	Dhanbad.—Provision of Office accommodation, Laboratory accommodation and staff quarters for officers, Class III and IV staff in the combined office of the Coal Inspecting Organisation and Mining Organisation under Chief Mining Adviser, Dhanbad (Phase I)	22	3	3	16
101	Dhanbad.—Provision of Trainnig School for Operating, Commercial and Signal Engineering Departments (Phase I)	42	3	5	34
102	Provision of combined multistoreyed Office building for the Eastern and South-eastern Railways and also for the Chittaranjan Locomotives Works Offices and the Railway Electrification Project Offices at 14, Strand Road, Calcutta	1,20	15	25	80
		R 3			
103	Provision of a suburban coaching rake stabling yard at Tikiapara	1,25	10	28	87
104	Howrah.—Provision of additional coaching stabling and washing lines to improve operation and to cater for the increased traffic anicipated in the next five years	56	42	9	5
105	Howrah.—Remodelling of coaching Yard (Phase II)	31	19	9	3
		R 3			
106	Provision of modern route relay interlocking at Howrah Terminal Yatd	44	7		30
107	Provision of colour light signalling on Durgapur-Burdwan, Bandel-Naihati and Saktigarh to Docks via H.B. Chord	30	1	10	19
108	Asansol Division.—Sitarampur Mugma Section.—Provision of Automatic Signalling	39	20	8	11
109	Provision of Automatic Signalling between Mugma and Pradhankanta	57	5	18	34
110	Replacement of Semaphore Signal by colour light signal on section Durgapur to Gaya including provision of power supply at 33 stations excluding the section Between Sitarampur to Pradhankanta	42	5	10	27
111	Augmenting the Ferry capacity at Farakka to 400 wagons a day each way (2nd slip line)	1,04	12	40	52
112	Replacement of existing semaphore signals by colour light signals on the electrified section between Sealdah—Ranaghat and Dum Dum Junction—Bongaon including provision of power supply at 5 stations	28	5	9	14

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	EASTERN RAILWAY—*concld.*				
113	Replacement of existing Semaphore signals by colour light signals on the electrified sections between Gaya-Moghalsarai including provision of power supply at 19 stations	31	7	6	18
114	Howrah Division.—Provision of additional crossing stations on Bandel—Azimganj Barharwa section and Azimganj-Nalhati Section :				
	(A) Between Bandel and Azimganj (*i*) Purabsthali-Patuli (13.85 Km.) (*ii*) Salar-Bazarsahu (13.85 Km.)				
	(B) Between Azimganj and Barharwa (*i*) Agimganj-Manigram (20.49 Km.) (*ii*) Manigram-Jangipur (20.49Km.) (*iii*) Tildanga-Barharwa (12·87 Km.)	25	2	3	20
	R	1			
	NORTHERN RAILWAY				
115	New Delhi.—Acquisition of 15 acres pf land adjacent to Railway Colony, Kitchner Road, New Delhi for construction of 40 houses of various types . .	23	5	18	..
116	Providing Standard III Signalling on Shakurbasti-Bhatinda Section in place of List and Morse Signalling .	30	27	1	2
117	Moghalsarai.—Provision of a diesel shed for Northern Railway . . .	70	56	14	..
118	Providing necessary repair facilities in C. & W. Workshop Jagadhri and expansion of the shops to deal with additional load consequent to increased rolling stock	3,32	2,05	58	69
119	Tughlakabad Marshalling Yard including Mineral siding facilites . . .	1,98	1.54	12	32
120	Shakurbasti.—Providing printing press .	31	23	4	4
121	Ghaziabad.—Shifting the signal workshop from the existing site to proposed one.	23	19	1	3
122	Additions and altrations to Kalka workshop for the manufacture of Railway components	1,50	10	5	1,35
123	Allahabad-Kanpur Section-Doubling of remaining 55 miles (Phase II) .	2,42	1,94	1	47
124	Varranasi-Zafrabad Section-Doubling of	2,35	2,28	1	6

(Figures in lakhs of rupee)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	NORTHERN RAILWAY—*contd.*				
125	Tundla-Ghaziabad Section.—Patch doubling between—				
	(*i*) Tundla and Mehrawal				
	(*ii*) Ghaziabad and Dadri . .	2,86	2,08	7	71
126	Moradabad-Saharanpur Section.—Doubling of remaining 59·24 miles (Phase III)	3,57	2,89	6	62
127	Improvement to Chunar-Churk Section including remodelling of Chunar Station yard	2,67 R 11	1,58	8	1,01
128	Line capacity works required in connection with acceptance of 3100 wagons via Moghalsarai	1,12	82	13	17
129	Line capacity works in connection with acceptance of 3700 wagons via Moghalsarai (Phase I).	5,31	1,32	1,72	2,27
130	Line capacity works (Phase II) of the scheme for a daily interchange of 3700 wagons with the Eastern Railway at Moghalsarai/Chunar . . .	69	38	23	8
131	Line capacity works required in connection with acceptance of 3770 wagons from the Eastern Railway via Moghalsarai-Chunar	42	25	13	4
132	Lucknow-.—Providing Office accommodation and quarters required for shifting of R.D.S.O. from Simla to Lucknow .	1,30	12	60	58
133	Lucknow-Alambagh.—Provision of quarters for the staff of Diesel and Electrical Wings of R.D.S.O., Lucknow .	28	10	18	
134	Bikaner.—Provision of a 50 bedded hospital with X-Ray laboratory, medical opration, table, instruments and equipment, ambulance facilities and specialist services	22	1	2	19
135	Allahabad Division.—Provision of colour light signals at all stations in connection with Railway Electrification on Moghalsarai-Allahabad and Allahabad-Kanpur Sections	63	7	16	40
136	Delhi Main.—Providing signalling in station yard	30	13	6	11

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	NORTHERN RAILWAY—*concld.*				
137	Amritsar Workshop.—Provision of B.G. Loco repair facilities . . .	1,78	99	15	64
138	Bikaner.—Expansion of shops in connection with increase of locomotive outturn from 30 POH and 30 IOH to 60 POH and 60 IOH per year . . .	52	39	5	8
139	Provision of a new bridge (10×200′ span) over Ramganga near Moradabad (single line B.G.) and also additions and alterations to Kathgarh Right and Left .	1,30	3	23	1,04
	NORTHEASTERN RAILWAY				
140	Barauni Junction.Samastipur.—Doubling of line (B.G.)	1,83	1,73	1	9
141	Karhagola Road and Katihar.—Doubling of section between . . .	64	62	2	..
142	Khagaria-Maheshkhunt.—Construction of retired alignment between . .	56	42	14	..
143	Garhara.—Acquisition of land for development works	20	1,36	0·04	18·60
144	Kasganj.—Remodelling of Loco shed .	30	15	1	14
145	Banaras-Manduadi .—Provision of new running shed in replacement of the present running shed . . .	41	38	3	..
146	Gonda-Burhwal Section.—Regirdering of Elgin bridge 17×200 ′G at mile 440/22.	60	40	7	13
147	Bhatni-Allahabad City Section.—Regirdering bridge Nos. 21 and 24 with new metre gauge main line standard girders	22	21	1	..
148	Gorakhpur.—Construction of 65 units type I, 204 units type II, 23 units type III and 6 units type IV quarters .	24	6	14	4
149	Gorakhpur.—Remodelling of yard .	44	39	5	..
150	Lucknow Junction-Katihar.—Conversion of 10 standard I interlocked stations into standard III on the main line between Baruachak to Basti (both inclusive) .	23	20	3	..
151	Gorakhpur-Chupra Section.—Provision of Centralised Traffic Control on the section	3,90	2,00	1,00	90

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision of 1964-65	Balance to complete work
	NORTHEASTERN RAILWAY—*concld.*				
152	Izatnagar.—Extension of Mechanical Workshop	177·51	171·43	0·47	5·61
	NORTHEAST FRONTIER RAILWAY				
153	Development of Capacity for movement of Oil Traffic for Assam Rail Link	13,31	12,18	50	63
154	Khejuriaghat-New Jalpaiguri.—Additional traffic facilities in connection with increase in traffic to deal with 400 wagons on B.G.	2,40	21	1,15	1,04
155	Silguri Junction.—Diesel Loco Shed for 40 locos	38	34	4	..
156	Bongaigaon.—Provision of a carriage and wagon shop	6,84	1,91	1,30	3,63
157	Katihar.—Remodelling of yard	32	18	3	11
158	Rangiya-Rangapara North Section.—Ancillary work or Development of line capacity	32	22	4	6
159	Lumding.—Subsidiary Yard	75	12	24	39
160	Tinsukia.—Remodelling of yard	76	49	20	7
161	Strengthening of the Assam Rail Link Route (Kishanganjto Amingaon)	550·26 R 51	546·46	0·08	3·72
162	Bongaigaon-Changsari Section.—Centralised Traffic control	2,59	1,05	51	1,03
163	Provision of standard III interlocking on section New Jalpaiguri-Barsoi-Kumedpur-Old Malda-Chamagram	38	3	6	29
164	Gauhati.—Proposed siding for Maintenance area	23 Deposit 64	12	1	10
	SOUTHERN RAILWAY				
165	Tondiarpet Marshalling Yard.—Additional facilities	39	31	8	..
166	Jalarpet Junction.—Remodelling of yard	24	22	2	..
167	Arkonam Junction.—Remodelling of Engineering Workshops	44 R 1	33	11	..
168	Doubling of track between Tiruvottiyur and Gummidipundi	1,97 R 2	1,78	19	..

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure to end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHERN RAILWAY—*contd.*				
169	Perambur Carriage Works.—Improvements to	85	61	24	..
170	Perambur.—Taking 11 KV supply in lieu of the present 5 KV supply .	26	16	6	4
171	Vijayawada-Waltair Section.—Line Capacity works	23	15	8	..
172	Proposed chord line from Vejendla to Tsunduru-Gudur-Vijayawada section (North east Line) BG (length 7·42 miles)	63	61	2	..
173	Provision of separate BG line between Guntur and Tadepalli on North East line BG (16·72 miles) . . .	1,47 R. 2	1,22	15	10
174	Vijayawada-Gudur Section.—Doubling of B.G.track.—Bapatla to Tsunduru-19·5 miles (North East Line) . . .	1,01	1,03	—2	..
175	Doubling from Gudur to Manubrolu from miles 84-1/2 to 90 (existing length 5·5miles and altered length 6·5 miles)	89 R 1	83	1	5
176	Vijayawada-Waltair.—Section—Regrading and realignment of track between Hamsavaram and Tuni between miles 419/0 and 423/12 (4·40 miles) . .	36	35	1	..
177	Doubling from Talamanchi to Musunur from miles 118 to 135-1/2(existing length 17·5 miles and altered length 20·5 mile	1,55 R 1	1,26	6	23
178	Doubling from Tettu to Ulavapadu from mile 148-1/2 to 157 (existing length 8·5 miles and altered length 9·5 miles) .	51	50	1	..
179	Doubling from Uppungundur to Chinnaganjam from mile 194-1 2to 198-1/2 (existing alength 4 miles and altered length 4·5 miles)	34	32	1	1
180	Vijayawada Junction.—Remodelling Yard (North East Line) . . .	95 R 2	85	6	4
181	Renigunta-Gudur Section.—Conversion into Broad Gauge (North East line).	2,08 R 14	2,04	—1	5
182	Tenali-Gudur Section.—Doubling between Kadavakuduru and—Bapatla (19-1/2 miles)	88	81	3	4

(Figures in lakhs of rupees)

Serial No.	Particulars of works	Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHERN RAILWAY—*contd.*				
183	Doubling Rajahmundry.—Samalkot and Rajahmundry Dwarapudi Sections (Phase I)	78	65	7	6
184	Conversion from MG to BG Gudivada-Bhimavaram and Vijayawada-Masulipatam Sections.—Gudivada-Bhimavaram (Phase I)	2,23 R 18	2,18	4	1
185	North East Line.—Vijayawada-Waltair Section.—Doubling Rajahmundry-Samalkot—Doubling between Dwarapudi and Samalkot (Mile 371-1/2 to 390-14 II) of Rajahmundry-Dwarapudi-Samalphase kot-Doubling (18·75 miles altered length)	1,18 R 5	1,08	1	9
186	North East Line.—Vijayawada-Masulipatam Section.—Conversion from MG to BG Gudivada-Bhimavaram, Vijayawada-Masulipatam-Phase II—conversion of Vijayawada-Masulipatam Section (49·25 miles existing length 54-25 miles altered length) . . .	3,11 R 12	2,70	14	27
187	Doubling-Tettu Musunur Section.—(13 miles	78	77	1	..
188	Doubling between Uppungundur and Sura reddipalem (20-1 2 miles) . .	1,51 R 1	1,27	9	15
189	Doubling between Manubrolu and Talamanchi (28-1/4 miles) . . .	2,43 R 1	2,17	20	6
190	Doubling of track between Vijayawada-and Yerupalayam on the Dornakal-Vijayawada Section.—Central Railway (Works concerning Southern Railway portion—Doubling between Vijayawada and mile 334/10—Central Railway mileage) .	28	22	4	2
191	Doubling of track between Krishna Canal and Vijayawada including a new bridge across Krishna River Mixed gauge BG/MG (length—3 10 miles) . .	2,27	1,13	42	72
192	Waltain-Vijayawada Section.—Doubling of track between Rajahmundry and Godaveri and Kovvur and Nidadavolu—Miles 359 1/4 and 357 1/4 and 354-1/2 and 345-1/2 North East Line—Broad Gauge. length 11·16 miles) . . .	99	74	10	15

(Figures in lakhs of rupees)

Serial No.	Particulars of work		Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHERN RAILWAY—*.contd.*					
193	Doubling of track between (1) Gopalapatnam Block and Duvvada and (2) Duvvada and Tuni (North East Line) —B.G.—55 miles (Waltair to Tuni)	R	4,71 2	1,53	1,35	1,83
194	Doubling of the line between Samalkot and Hamsavaram 27·81 miles on Waltair-Samalkot Section	R	2,48 1	23	1,15	1,10
195	Doubling of track between Kovvur and Godavari (2·75 miles) including construction of a second bridge across the Godavari River		5,80	40	70	4,70
196	Vijayawada-Gudur Section.—Line capacity works—Proposed additional yard facilities or down traffic at Vijayawada Phase I in Vijayawada—Gudur Section —North East line		64	7	25	32
197	Tenali-Gudur Section.—Doubling between Ulavapadu and Surareddipalem (17 miles)		1,57	1,56	1	..
198	Doubling of track between Bommidi and Danishpet between miles 180 and 192-1/2 (Phase I of Bommidi-Danishpet—Tinnappatti Doubling) in Jalarpet-Erode section.—S.W. line B.G. (length 12·89 miles		1,34	1,23	8	3
199	Doubling of track between Danishpet and Tinnapatti between miles 192¼ and 196¾ (Phase II of Bommidi-Danishpet-Tinnapatti Doubling) on Jalarpet-Erode section S.W. line B.G. (length—4·35 miles		27	18	2	7
200	Doubling of track between Tinnapatti and Salem from mile 196½ to 207 in Jalarpet—Erode section.—S.W. line B.G. (length 9·80 miles)	R	84 1	39	9	36
201	Doubling of track between McDonald's Choultry and Mavelipalayam—Jalarpet-Erode Section—S.W. line B.G. (length 12·14 miles)	R	1,19 2	82	10	27
202	Doubling of track betwen Morappur and Bommidi (14 miles)	R	1,17 1	81	10	26
203	Doubling of track between Mavelipalayam and Sankaridrug (3·13 miles) on Jalarpet Erode Section		37	26	4	7

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHERN RAILWAY—*contd.*				
204	Doubling of track between Salem and McDonald's Choultry in Jalarpet-Erode Section length 12·86 miles .	1,17 R 1	57	12	48
205	Doubling of track between Cauvery and Erode in Jalarpet-Erode Section (S.W. Line) length 3·44 miles . . .	58	32	20	6
206	Doubling of track between Sankaridrug and Cauvery (10·25 mile) on Jalarpet Erode Section	1,00	18	39	43
207	Shoranur-Ernakulam Section.—17 sections—Raising the standard of signalling from standard I two aspect to standard III double wire multiple aspect upper quadrant signalling to permit unrestricted speed through stations .	31	18	13	..
208	Erode-Olavakot Section.—Provision of tokenless block working . . .	21	..	11	10
209	Line capacity work in connection with the movement of iron ore from Bellary-Hospet area to ports other than Madras works at 31 stations on Hospet-Bellary-Guntakal-Dharmavaram-Katpadi Section	89 R 1	65	1	23
210	Dronachellam-Guntakal-Dharamavaram-Pakala-Katpadi Section.—Line capacity works (20 stations) (*a*) extension of loops at 12 stations, (*b*) Additional loops at 6 stations, (*c*) Yard facilities at 2 stations	37	34	1	2
211	Arkonam-Renigunta Section.—Doubling of the B.G. track from Ponpadi to Vepagunta (11·74 miles) along new alignment from mile55to65 (N.W. line) .	1,43	13,5	1	7
212	North West Line.—Doubling from Vepagunta to Puttur from mile 65 to 69-1/2 (existing length 4·5miles, altered length 5·5 miles	28	20	2	6
213	Arkonam-Renigunta Section.—Doubling of B.G. Track from Pudi to Puttur (13·75 miles) along new alignment from mile 69-1 2 to 78 (N.W. line) . .	1,47	1,44	2	1
214	Doubling of track between Arkonam to Ponpadi.—(12·39 miles) on Arkonam-Renigunta Section	92	68	13	11

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHERN RAILWAY—*contd.*				
215	Doubling of track between Pudi and Renigunta (3·99 miles) on Arkonam-Renigunta Section	39	42	—3	..
216	Between Hospet and Guntakal—Laying of new Board Gauge line (71 miles) .	6,48 R 1	2,58	1,90	2,00
217	Jalarpet-Bangalore City Section—Line capacity works (1) Crossingstation between Gudupalli and Kamasamudram (Conversionof Bisanatham). (2) Crossing station between Tyakal and Malur. (3) Swaminayakanpatti.—Additional loop to hold 60 vehicles. (4) Kamasmudram.—Additional loop. (5) Baiyyappana halli—Marshalling yard at	58	57	1	..
218	Poona-Miraj Section.—Conversion from Metre Gauge to Broad Gauge . .	13,18 R 12	20	1,45	11,53
219	Villupuram.—Remodelling of yard—Phase II	31	23	8	..
220	Tiruchchirappalli-Madurai Section.—Replacing existing Standard I two aspect signalling by Standard III Double Wire Multiple Aspect signalling at 19 stations and interlocking level crossing at mile Q.279/11-12 and Q. 283/11 . .	21·96	21·57	0·39	..
221	Vijayawada-Waltari Section.—Improvements to track and bridges at mile 437/19 to 442/19 between Narasapatnam and Regupalam Sections . . .	31	9	9	13
222	Calicut-Mangalore Section.—Bridge No. 1201 (Pysavali) at mile B. 520/5-11-Rebuilding existing 12 × 100′-0″ spans as 24 × 47′-6″ girders . . .	21·44	21·03	0·41	..
223	Mysore Division.—Rebuilding of bridges Nos. 715, 716 and 718 and resiting of Srirangapatnam and Paschimavahinistation s	34	31	2	1

(Figures in lakhs of rupees)

Serial No.	Particulars of Work	Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHERN RAILWAY—*contd.*				
224.	Gadag-Sholapur Section.—Regirdering of bridge No. 63 (Krishna) at mile 75/6-16 to MG/BL standard and strengthening of piers	59	53	5	1
225.	Madras Central—Remodelling of Phase II	31	25	6	..
226.	Perambur Improvements to Railway Hospital.—Provision of an additional wing to accommodate 60 (General) beds.—Conversion of the Existing Nurses' Boarding and Lodging into Isolation Ward of 10 beds. Construction of new hostel for Nurses, a suite of 4 operation theatres, staff quarters for the additional staff, new laboratory block and covered passage connecting the OP Block and main Hospital Building . . .	22	..	4	18
227.	Perambur.—Construction of double storeyed 120 units type II, 6 units type III and 4 units type IV quarters for essential Class III Staff	22	19	3	..
228.	Vijayawada Junction.—Construction of 180 units type II, 8 units type III, 8 units type IV, 5 units type IV (special) and 2 units type V quarters for essential Class III staff and officers in connection with the Divisionalisation of the Railway	39	37	2	..
229.	Madras.—Replacement of Divisional office building and providing additional accommodation to relieve congestion in the New General Office . . .	49	41	8	..
		R	2		
230.	Tambaram.—Extension to Car Workshop including provision of new Inspection Shed for EMUs	28	..	6	22
231.	Arkonam-Tirupattur Section.—Doubling between Vinnamangalam and Latteri (19·5 miles)	1,43	1,32	9	2
		R	1		
232.	Arkonam-Tirupattur Section.—Doubling between Mukundarayapuram and Latteri (15 miles)	1,09·91	1,09·85	0·06	..
233.	Doubling from Chitteri to Mukundarayapuram from mile 47½ to 70 (existing length 22·5 miles, altered length 24·5 miles)	1,45	1,26	8	11
		R	1		

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHERN RAILWAY—*contd.*				
234.	Arkonam-Tirupattur Section.—Doubling between Arkonam and Chitteri (5 miles)	22	21	1	..
235.	Doubling of track between Latteri and Vinnamangalam (from mile 85 to 117½) 32·5 miles and regrading the main line between Arkonam and Jalarpet .	2,73 R 2	2,39	23	11
236.	Rajahmundry.—Remodelling of Loco Yard and extension to Loco Shed .	23	12	11	..
237.	Shoranur Junction.—Remodelling of Loco Yard and extension to Loco shed .	23	13	10	..
238.	Proposed improvements for homing diesel locomotives at Gooty, Tondiarpet and Madras Beach	41	24	12	5
239.	Provision of diesel loco shed at Guntakal and terminal facilities at Yeshwantpur Hubli and Dronachellam . .	49	15	24	10
240.	Yeshwantpur Junction.—Provision of a new Loco Shed	39	35	2	2
241.	Yeshwantpur Yard.—Remodelling .	50	32	15	3
242.	Bangalore City.—Remodelling of the Yard and station building at . .	61	7	24	30
243.	Movement of one million tons of iron ore from Bellary-Hospet area section to Karwar (*via*) Hubli. Additional line capacity works required for . .	29	16	13	..
244.	Hubli Junction.—New General Stores at	27·02	26·92	0·10	..
245.	Hubli Workshops.—Remodelling of .	1,12	83	22	7
246.	Madras Vijyawada-Waltair Section .—Proposed rebracing and centralised bearing to 288-40′--0″ girders in 35 Briges to drawing No. 1358 on the North-east line	22	20		..
	SOUTHEASTERN RAILWAY				
247.	Andul-Calcutta Chord Link Project (M.D. Link Project)	3,37	11	25	3,01
248.	Down fly-over line over the H.B. Chord line between Dankauni and the Calcutta Chord line	37	..	1	36

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHEASTERN RAILWAY—*contd.*				
277.	Facilities required for the expansion programmes of the Rourkela and Bhilai Steel Plants—Stage I	1,92 R 2 Deposit 10	1,36	54	2
278.	Line capacity Works on Muri-Chandil-Rourkela Section	28	14	13	1
279.	Provision of retarders and mechanisation of the humps on the Marshalling Yard at :—				
	(*a*) Bondamunda	25	1	10	14
	(*b*) Bhilai	25	1	10	14
280.	Provision of a third line between Tikapara and Santragachi	42 R 2	3	23	16
281.	Provision of four additional lines in the Departure Yard at Tatanagar . .	25	2	10	13
282.	Provision of a third line between Santragachi and Panskura (43 miles) including new Rupnarayan	12,00	5	1,30	10,65
283.	Automatic signalling of Tatanagar-Sini Section	26	..	10	16
284.	Provision of automatic Block Signalling between Santragachi and Uluberia .	36	..	4	32
285.	Doubling of the Damodar Bridge between Madhukonda and Damodar . .	75	10	15	50
286.	Doubling of the Bhoujudih Sudamdih Section (1·25 miles) including doubling of bridge over Damodar River .	32	1	6	25
287.	Provision of a direct connection from Bondamunda departure yard to Dumitra on the Barsua Branch along the fly over off the Bondamanda-Hatia Line with direct connection to Dumitra .	42	9	20	13
288.	Durg.—Provision of Terminal facilities .	36	5	19	12
289.	Doubling of Bridge,—Brahmani, Mand and Hasdeo on Rourkela -Bhilai Section	1,66	5	55	1,06
290.	Second expansion of Bondamunda Marshalling Yard	41	15	26	..
291.	Bhilai Marshalling Yard—Phase III .	33 R 1	10	23	..
292.	—Doubling of Bridge No. 182 (9-150/ C) at mile 325·446 (Ib river) . . .	88	17	51	20

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHEASTERN RAILWAY—*concd.*				
293.	Doubling of Sheonath II Bridge No. 462 (14—150' girders) at mile 462·68 between Bilha and Nipania on Rourkela Durg Section.	93	53	30	10
294.	Palsa-Waltair Section.—Bridge No. 1354 at mile 462·472—19 spans of 70' replacing of girders	22	15	4	3
295.	Provision of Type II Quarters at Waltair (128 units), Khurda Road (136 units), Khargpur (92 units), Bilaspur (43 units) and Nagpur (272 units) . . .	1,06	17	38	51
296.	Khargpur.—Expansion of workshop .	21	1	5	15
297.	—Garden Reach.—Proposed additional office accommodation for the Head Quarters Offices of the S.E. Railway . .	60	1	10	49
298.	Provision of Colour Light Signalling (Multiple aspects) on Howrah-Khargpur Section (26 stations) . .	23	6	7	10
299.	Provision of Colour Light Signalling (Multi-aspect) on electrified Section Asansol-Chandil, and Rajkharswan-Dangoaposi Section (28 stations) .	32	1	2	29
300.	Replacement of the existing 14 Nos. 150' spans to type 7951 of Sheonath Bridge No. 462 at mile 462'—68 between Bilha and Nipania	35	1	2	32
301	Doubling of Rajkharswan Barajamda .	6,00	5,97	3	..
302	Doubling of Rourkela to Durg . .	R 48 22,67	22,66	1	..
	WESTERN RAILWAY				
303.	Churchgate-Grant Road.—Acquisition of land for quadrupling the tracks between	1,44	18	51	75
304.	Nagda-Bayana.—Partial doubling of Lakheri Bayana Sub-section BG 188 KM 116 (116·75 miles) . .	9,89	4,69	2,96	2,24
305.	Ajmer-Phulera section.— Doubling of Kishangarh-Madar section and providing a chord line between Madar and Tabiji section (MG 39·95 KM (20 miles)	1,26	67	58	1
306.	Kalol-Mehsana Section.— Doubling the line between (40·01 KM—25·5 miles)	1,31	1,08	23	..
307.	Abu Road.—Remodelling the yard at .	24	1	15	8
308.	Grant Road-Bandra-Kandivli.—Proposed augmentation of coverting plant capacity in the traction sub-stations at .	29	24	5	..

(Figures in lakhs of rupees)

Serial No.	Particulars of work		Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHEASTERN RAILWAY—*contd.*					
249.	Dankuni.—Provision of improved facilities		1,31	..	2	1,29
250.	Shalimar.—Goods terminal yard . .		86	1	5	80
251.	Khargpur.—Provision of new Marshalling yard	R	3,54 1	27	80	2,47
252.	Santragachi.—Remodelling of yard .	R	99 3	24	39	36
253.	Additional line capacity works on Anara-Chandil Section	R	26 1	14	5	7
254.	Provision of a direct link between Joy-Chandipahar and Sanka . . .		25	14	8	3
255.	Adityapur and Tatanagar.—Additions and alterations to yard facilities for dealing with 2 million ton production of TISCO	R	2,69 4	2,41	25	3
256.	Bondamunda.—New Marshalling yard. Phase I		7,51	7,01	24	26
257.	Raipur—Provision of a new wagon shop .		5,72	5	1,24	4,43
258.	Bilaspur—Expansion of yard . .		88	20	40	28
259.	Facilities required on account of Central India Coal Fields —Stage II—Doubling between Khongsara and Khodri .		3,41	1,49	1,31	61
260.	Additional facilities on the Central India Coal-field Section (A) Anuppur-Katni-Marwa Sections	R	5,39 5	5,12	5	22
261.	Additional line capacity works in Central India Coalfields area.—Stage I Doubling between Boaridand and Anuppur (35 miles)	R	3,75 2	3,20	15	40
262	Doubling between Birsinghpur and Umaria, Chandia Road and Jhalwara (37 miles)	R	3,88 1	3,46	16	26
263.	Doubling remaining single line portion on the Durg-Kamptee Section (52 miles)	R	5,22 2	2,65	1,96	61
264.	Kalumna.—Acquisition of land for railway Development 103 acres .		24	4	5	15

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	SOUTHEASTERN RAILWAY—*contd.*				
265.	Patch doubling between Durg and Nagpur Section	3,14 R 2	2,79	35	..
266.	Durg-Kamptee.—				
	(*a*) Doubling of line about 68¾ miles on the Section Durg to Kamptee .	6,73 R 9	6,18	21	34
	(*b*) Crossing station and additional loops	96 R 2	88	8	..
267.	Facilities required on the Howrah-Chakradharpur section for movement of additional traffic—Stage I . .	1,024 R 26	6,54	1,00	2,70
268.	Facilities required for movement of export ore from Kiriburu to Vizagapatam Port	1,09 R 3	98	11	..
269.	Extension of loops at—				
	(*a*) 68 stations between Kharagpur-Palasa (*b*) Expansion of yard at— (*i*) Bhadrak (*ii*) Khurda Road (*iii*) Palasa	5,11 R 9	1,82	1,14	1,88
270.	Nergundi-Khurda Road.—Doubling including Mahanadi Bridge . .	7,85 R 2	5,30	1,58	97
271.	Patch doubling between Khurda Road and Bhusandpur (21 miles) and Jagannathpur and Palasa (51·25 miles) .	8,68 R 4	1,22	1,85	5,61
272.	Doubling between Khargpur and Bhadrak (110·25 miles)	17,52 R 1	20	1,78	15,54
273.	Doubling between Bhadrak and Kapilas Road along with provision of tie lines and diversions (69·2 miles) . .	13,61	12	80	12,69
274.	Doubling between Bhusundpur and Jagannathpur (64·50 miles) . .	8,09 R	4	19	7,86
275.	Doubling between Palasa and Vizianagram (80·50 miles) . . .	13,31 R 1	10	1,37	11,84
276.	New Marshalling Yard at Waltair . .	5,99 R 1	1,33	2,16	2,50

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	WESTERN RAILWAY—*contd.*				
309.	Bombay-Surat Section.—Replacing 96 spans of 60' of old and under-strength girders by new ones to ML standard on bridge Nos. 169,275,359 and 401 (Up and Down lines on the	40	12	3	25
310.	Surat-Baroda Section.—Replacing 48 spans of 60 old and understrength girders by new ML standard ones on bridge Nos. 458, 471, 473, 474, 477, 478, 480, 485, 496, 571 and 586 on the	20	3	1	16
311.	Bombay.—Providing a 150 bed hospital at	/2.36	71.22	0.40	0.74
312.	Ujjain-Maksi.—Doubling the line between (25 miles)	2,16	73	1,28	15
313.	Bhopal-Bairagarh.—Doubling of the section between (BG—5.5 miles)	45	21	22	2
314.	Jaipur-Phulera.—Partial doubling of the line between Jaipur and Ugrawas (18.24 miles) Hirnouda-Phaulera—5 miles (23-24 miles)	1,34	57	69	8
315.	Mahim-Bandra.—Providing separate line for Central Railway trains between	67	12	28	27
316.	Jogeshwari.—Providing an auxiliary terminus at	28	27	1	..
317.	Ahmedabad.—Remodelling the M.G. yard at	2,06	1,95	10	1
318.	Ahmedabad.—Remodelling the BG yard at	1,93	1,12	79	2
319.	Patholi.—Providing of BG/MG transhipment yard at a site close to	37	5	21	11
320.	Abu Road-Sojat Road.—Providing simultaneous facilities at.	23	2	17	4
321.	Ratlam.—Improvement to watering arrangements at and providing staff quarters for filteration plant staff (3 units type I, 3 units type II)	21	..	3	6
322.	Palanpur-Gandhidham Section.—Strengthening of track on	61	58	3	..
323.	Nagda-Kota Section.—Providing standard III multiple aspect upper quardrant signalling at	34	15	7	12

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost.	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work.
	WESTERN RAILWAY—*concld.*				
324.	Bhopal-Ujjain Section.—Regirdering of major bridges—Parbati, Niwas and Kalisindh on the	26 R. 5	8	3	15
325.	Bayana-Agra Section.—Replacing 16 spans of 133' old and under-strength girders by new ones on Jamuna bridge No. 162 on the	37	..	10	27
326.	Kota-Bina Section.—Replacing the weak and under-strength girders by new ML standard ones on Betwa bridge—16 spans of 100' on the	26 R. 3	2	6	18
327.	Kota-Bina Section.—Replacing the weak and under-strength girders by new ML standard ones on Parbati bridge 11 spans of 100' on the	19.36 R. 2.15	1.79	0.05	17.52
328.	Agra Area. Providing power operated points and colour light signals at. . . .	23	1	7	15
329.	Ajmer.—Remodelling of carriage and wagon shop at.	1,07	83	2	22
330.	Mira Road.—Additional traction rectifier sub-station at (Pt. I).—Providing single unit 2000 KW Rectifier with transmission line from Bassein Road Sub-station to .	28	..	2	26
331.	Mahalaxmi.—Providing a printing press . at	35	1	14	20
332.	Nagda-Ujjain Section.—Providing a new broad gauge bridge over the Sipra river (6 × 150) and independent broad gauge entry into Ujjain Yard at . . .	32	10	5	17
333.	Abu Road.—Providing a new Diseal Loco Shed and construction of staff quarters for essential staff at . . .	61	1	23	36
	CHITTARANJAN LOCOMOTIVE WORKS				
334.	Expansion of Chittaranjan Locomotive Works	2,28.47	2,02.06	0.01	26.40
335.	Chittaranjan.—Construction of Locomotive Building works at.	14,73.74	14,64.75	0.18	8.81
336.	Provision of facilities for the manufacture of Steel castings at Chittaranjan . .	6,30	3,51	1,86	93
337.	Provision of facilities for the manufacture of Electric Locomotives . . .	2,26	93	86	4

(Figures in lakhs of rupees)

Serial No.	Particulars of work	Latest anticipated cost	Approximate expenditure upto end of 1963-64	Provision for 1964-65	Balance to complete work
	DIESEL LOCOMOTIVE WORKS				
338.	Diesel Locomotive Works, Varanasi . .	19,62	9,20	7,21	3,21
	INTEGRAL COACH FACTORY				
339.	Perambur.—Providing a permanent furnishing unit for Integral Coach Body Shells. . .	3,68	3,31	25	12
340.	Perambur.—Introduction of Second Shift II Phase (including facilities for diversified production such as EMU, MG coaches, etc.)	39	29	9	1
	DANDAKARANYA BOLANGIR KIRIBURU RAILWAY PROJECTS.				
341.	Doubling between Lanjigarh Road and Ambodala (9 miles)	78	54	5	19
342.	Doubling between Bissamcuttak and Theruveli (11 miles).	1,02	72	4	26

APPENDIX I—*concld.*

(*c*) List of works costing over Rs. 25 lakhs sanctioned during 1963-64 not provided in the original Budget.

(Figures in lakhs of rupees)

S. No.	Particulars of work		Anticipated cost.	Outlay proposed for 1963-64
1.	New Katni Diesel Loco Shed.—Provision of facilities for homing 30 additional locos at (Central Railway)	Cap.	32·96	1·00
		DF(2)	34·80	..
2.	Balharshadh.—Remodelling of yard. (Central Railway) .	Cap.	29·09	2·00
		Cap.	—0·60	..
		DRF	0·60	..
3.	Secunderabad.—Provision of IRSSET Building. (Central Railway)	DF(3)	35·00	0·10
4.	Additional 303 quarters different types at Patratu. (Eastern Railway)	DF(2)	30·77	7·00
5.	Lucknow.—Providing Office accommodation and quarters required for shifting of R.D.S.O. from Simla to Lucknow. (Northern Railway) . .	Cap.	62·35	1·00
		DF(2)	67·65	11·00
6.	Allahabad Division.—Provision of colour light signals at all stations in connection with Railway Electrification on Moghalsarai-Allahabad and Allahabad- Kanpur Sections. (Northern Railway)	Cap.	63·00	7·10
7.	Provision of a new ridge 10 × 200′ Spans over Ramganga near Moradabad (Single Line BG) and also additions and alterations to Kathgarh Right and Left. (Northern Railway).	DF(3)	129·93	3·00
		Cap.	0·18	..
		Cap.	—0·93	..
		DRF	0·93	..
8.	Provision of diesel loco shed at Guntakal and terminal facilities at (*i*) Yeswantpur, (*ii*) Hubli (*iii*) Dronachellam. (Southern Railway)	DF(3)	48·61	15·00
9.	Down Fly-over line over the H.B. Chord line between Dankuni and the Calcutta Chord line. (Southeastern Railway)	Cap.	35·54	1·00
		DF(2)	1·60	
10.	Dankuni.—Provision of improved facilites. (Southeastern Railway)	Cap.	130·11	1·00
		DF(2)	1·08	..
11.	Abu Road.—Construction of New Diesel Loco Shed (Western Railway)	Cap.	6·00	1·00
		DF(3)	44·20	..
		DF(2)	9·80	..

(Funds required for these works were found within the total sanctioned grant).

APPENDIX II

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APPENDIX

Passenger and other Railway Users' Amenities: The Statement various categories of Passenger and

(Figurs in thousand of rupees)

Railways	Water supply at stations, for the use of passengers, including not only general water supply arrangements which are used for providing water for use of Railway users in carriages, stations, parcel offices and goods shed premises, but also purification plants installed, water coolers, electric or otherwise, water trollies etc. provided for use of Railway users.	Provision of waiting accommodation including reinforced cement, concrete and other types of benches at stations, parcel offices, goods sheds, etc. including extension or improvements to existing waiting arrangements to meet the requirements of Railway users.	Refreshment Rooms and vendors' stalls of all descriptions at stations, parcel offices, goods sheds, etc. provided for catering to Railway users, except those which the vendors are required by contract to provide at their own cost.	Provision or improvement of latrines provided for Railway users at stations, parcel offices, goods sheds, etc.	Miscellaneous improvement *viz.* provision of seats, hedges, shade-trees on platforms at stations, parcel offices and goods sheds, etc. to cater to the needs of Railway users.	Raising, extending, widening, surfacing, covering or other improvements on platforms at stations except when such works are required for other than passenger amenity rasons e.g., extension of platforms at big stations to accommodate full length trains, provision of additional platforms to facilitate crossing of trains.	Improvements and covering of existing over-bridges or subways within station premises to connect platforms or offices at stations, parcel offices, goods sheds, etc. to serve the needs of Railway users.	Provision of bathing facilities at stations for use of passengers.
1	2	3	4	5	6	7	8	9
Central . .	3,00	6,00	2,50	2,50	5,00	11,00	3,00	1,50
Eastern . .	1,87	87	9	1,42	..	15,17	57	10
Northern . .	8	31,38	..	35	..	2,44	62	..
Northeastern .	53	3,90	86	4,14	22	16,69	45	32
Northeast Frontier	2,41	3,52	1,69	1,21	40	8,86	70	60
Southern . .	3,57	2,83	2,82	5,28	2,82	29,08	2,82	2,82
Southeastern .	5,50	4,50	2,25	4,75	2,00	7,00	3,50	3,25
Western . .	2,20	17,19	1,75	11,11	1,10	29,39	2,27	23
TOTAL . .	19,16	70,19	11,96	30,76	11,54	1,19,63	13,93	8,82

II

below shows against each railway the expenditure proposed on other Railway Users' Amenities in 1964-65.

Provision or improvements of approaches and circulating areas at stations, parcel offices, goods sheds, etc. including improved lighting, tonga-car —taxi—cycle-rikshaw stands, sheds for bullock and other carts, water troughs, etc. to cater to the requirements of Railway uses.	Improvements to existing carriages such as provision of fans, improved lighting and lavatories, special insulations in roofs, bigger water tanks in carriages, better fittings etc. intended to provide improved facilities for passengers.	Improved lighting and provision of fans on platforms or in waiting halls and sheds or vendors' stalls at stations, parcel offices, goods sheds, etc. to cater to the requirements of Railway users.	Opening of new flag stations or conversion of halts into flag stations, as a passenger facility where there is no financial justification.	Exhibition of sheets time tables in glass fronted frames at stations, to serve the raquirements of passengers.	Works under all the above heads meant to cater to Railway users provided in connection with melas, and required for periods exceeding 6 months.	Any other works considered essential for meeting the requirements of Railway users at any station *e.g.*, provision of information offices or Kiosks, provision of public announcement systems, etc.	TOTAL
10	11	12	13	14	15	16	17
6,00	43	6,07	..	..	..	3,00	50,00
31	98	3,34	2,31	..	65	3,32	31,00
18	7,08	1,22	1,25	..	..	5,40	50,00
3,27	..	3,75	..	3	..	84	35,00
2,05	1,75	80	25	5	..	71	25,00
2,82	..	6,20	..	82	..	3,12	65,00
5,00	3,25	4,50	50	..	..	4,00	50,00
2,99	1,32	4,60	1,46	13	5	4,21	80,00
22,62	14,81	30,48	5,77	1,03	70	24,60	3,86,00

APPENDIX

Amenities for

Railways	WORKS							
	New Hospitals, dispensaries and additions and improvements to existing ones.	New Schools and additions, alterations and improvements to existing ones.	New Institutes, Rest Houses, Sports Grounds and Reading Rooms and improvements and additions to existing ones.	Provision and improvement of health and welfare works, childwelfare and maternity centres.	Cooling arrangements for workshops, canteens and Rest Rooms for workmen.	Provision and improvement of sanitation, water supply, road lighting and marketing facilities in Railway Colonies.	Provision for Officers' Quarters.	Improvements and alterations to existing quarters of what ever type.
1	2	3	4	5	6	7	8	9
Central . . .	11,27	30	2,15	3,55	..	13,70	5,48	1,50
Eastern . . .	11,48	81	92	2,41	12	12,67	7,38	7,69
Northern. . .	18,88	40	1,06	..	87	4,11	5,19	25,01
Northeastern . .	5,52	1,32	50	..	..	4,94	1,50	8,22
Northeast Frontier .	10,39	80	1,15	84	73	7,25	3,00	3,19
Southern . .	20,37	1,34	97	1,06	1,02	16,04	55	17,15
Southeastern . .	12,84	5,02	1,60	2,25	1,20	11,89	14,64	3,70
Western . . .	23,99	2,97	25	1,35	40	8,37	11,23	27,67
Integral Coach Factory . . .	..	..	..	3	..	..	2,11	..
W. M. S. (Accounts)	..	..	77	..	..	1,06	..	..
Chittaranjan Locomotive Works .	..	..	..	..	..	4,48	..	..
W.M.S. (Accounts) .	25	20	..	..	31	5,58	..	28
Diesel Locomotive Works . .	50	1,00	4,45	..	..	40	3,00	..
D.B.K. Railway Projects . . .	..	..	..	..	..	..	..	..
TOTAL . .	1,15,24	13,96	13,05	11,49	4,34	83,85	54,08	94,13
W.M.S. (Accounts) .	25	20	77	..	31	6,64	..	28

III

Staff in 1964-65

(Figures in thousands of rupees)

				OTHER SERVICES					
Quarters for Class III staff	Quarters for Class IV staff	Other Works	Total	Medical expenses	Health & Welfare services	Education	Canteens and other staff amenities	Total	Grand Total
10	11	12	13	14	15	16	17	18	19
74,30	65,50	11,74	1,89,49	98,29	67,05	74,21	16,37	2,55,92	4,45,41
58,98	42,33	10,29	1,55,08	89,06	70,14	41,94	11,39	2,12,53	3,67,61
1,15,46	68,47	1,07	2,40,52	87,78	79,38	43,54	10,19	2,20,89	4,61,41
45,00	23,36	2,50	92,86	42,62	29,34	22,54	4,82	99,32	1,92,18
58,88	62,63	84	1,49,70	44,13	46,85	24,31	3,81	1,19,10	2,68,80
65,12	43,91	2,05	1,69,58	83,75	44,15	42,09	10,65	1,80,64	3,50,22
1,53,83	75,96	50	2,83,43	83,08	70,68	69,22	7,49	2,30,47	5,13,90
99,94	37,51	..	2,13,68	91,51	50,63	74,93	10,19	27,26	4,40,94
12,16	1,91	..	16,21	..	..	..	..	..	16,21
..	..	5	1,88	..	..	..	..	..	1,88
36,86	..	..	41,34	..	..	..	..	..	41,34
1,00	..	2,10	9,72	..	..	..	..	..	9,72
98,71	5,15	3,85	1,17,06	..	..	..	..	..	1,17,06
4	19	..	23	..	..	..	..	..	23
8,19,28 1,00	4,26,92 ..	32,84 2,15	16,69,18 11,60	6,20,22 ..	4,58,22 ..	3,92,78 ..	74,91 ..	15,46,13 ..	32,15,31 11,60

APPENDIX IV

CAPITAL AND DEPRECIATION RESERVE FUND EXPENDITURE ON OPEN LINES AND NEW CONSTRUCTIONS DURING 1964-65

(Figures in thousands of rupees)

Railways	OPEN LINES						NEW CONSTRUCTIONS					
	Rolling Stock		Other Items		Total		Lines in Progress		New Lines		Total	
	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	depreciation Fund	Capital	Depreciation Fund
Central	2,43,36	48,89	15,45,15	9,60,14	17,88,51	10,09,03	5,83,50	..	..	..	5,83,50	..
Eastern	4,28,90	55,41	2,88,34	8,71,81	7,17,24	9,27,22	1,74,02	8	..	..	1,74,02	8
Northern	1,89,98	24,3 0	4,84,46	7,0 9,29	6,74,44	,33,59	8,54,65	..	..	..	8,54,65	..
Northeastern	57,11	26,2	1,95,75	3,44,73	2,52,86	3,70,97	..	..	..	..	..	..
Northeast Frontier	3,61	..	3,87,96	1,43,53	3,91,57	1,43,53	19,14,00	..	..	..	19,14,00	..
Southern	2,31,36	2,09,83	14,22,97	9,19,62	16,54,33	11,29,45	4,07,44	56,75	..	..	4,07,44	56,75
Southeastern	52,71	31,54	27,95,50	6,04,04	28,48,21	6,35,58	6,65,03	..	..	..	6,05,03	..
Western	1,28,82	32,29	6,05,93	8,64,22	34,75	8,96,5	3,86,50				3,86,50	
Chittaranjan Locomotive Works	..	..	2,37,77	8,23	2,73,77	8,23	..	..	..	..	..	..
Integral Coach Factory (Perambur)	..	..	—30,15	..	—30,15	..	..	..	..	..	..	..

Railway Electification . . .	.	..	..	..	...	..	22,68,14	..	..	..	22,68,14	..
Diesel Locomotive Works (Varanasi)	..	..	9,20,94	..	9,20,9 4	..	..	..	..	..	..	..
Dandakaranya Bolangir Kiriburu Railway Projects . . .	..	..	8,86	..	8,86	..	12,45,26	..	..	..	12,45,26	..
Railway Board	96,60,00	14,40,00	..	..	96,60,00	14,40,00	..	..	..	..	..	..
TOTAL . .	109,95,85	18,68,50	88,99,48	5425,61	198,95,33	72,94,11	84,38,54	56,83	..	..	84,38,54	56,83
Probable savings	..	..	..	..	—26,11,30	2,49,29	..	..	..	..	-4,22,57	—1,65
TOTAL—OPEN LINES AND NEW CONSTRUCTIONS	..	..	..	..	172,84,03	70,44,82	..	..	..	..	80,15,97	55,18

APPENDIX V

DEVELOPMENT FUND EXPENDITURE ON OPEN LINE WORKS AND RESTORATIONS DURING 1964-65

(Figures in thousands of rupees)

Railways	Open Line Works			Restorations		
	Works in Progress	New Works	Total	Lines in Progress	New Works	Total
Central . . .	2,46,47	1,06,75	3,53,22	..	..	..
Eastern . . .	2,20,50	40,12	2,60,62	..	..	..
Northern . . .	2,92,47	53,27	3,45,74	1,00	..	1,00
Northeastern .	2,99,19	32,27	3,31,46	..	..	..
Northeast Frontier .	2,59,21	25,00	2,84,21	..	..	..
Southern . . .	4,16,73	88,64	5,05,37	..	..	..
Southeastern .	3,74,57	94,73	4,69,30	..	..	..
Western . . .	7,53,87	1,12,37	8,66,24	..	..	..
D.B.K. Railway Projects	23	..	23	..	..	..
Railway Electrification	18,86	..	18,86	..	..	..
TOTAL .	28,82,10	5,53,15	34,35,25	1,00	..	1,00
Probable Savings .	..	..	—1,36,21	..	..	—4
Net .	..	..	32,99,04		..	96

APPENDIX VI

CAPITAL-AT-CHARGE ON INDIAN GOVERNMENT RAILWAYS, ETC.

(Figures in lakhs of rupees)

Railways	1962-63	1963-64	1964-65
1. Central	2,92,76	318,59	340,06
2. Eastern	264,89	296,22	303,52
3. Northern	265,22	288,83	302,89
4. Northeastern	87,27	91,80	94,07
5. Northeast Frontier	112,16	131,72	153,39
6. Southern	235,57	263,84	282,29
7. Southeastern	277,19	317,69	348,35
8. Western	230,31	247,33	257,50
9. Chitaranjan Locomotive Works	24,65	30,07	32,41
10. Integral Coach Factory	7,65	14,61	14,23
11. Railway Electrification	62,47	77,51	99,06
12. Loco Component Works	3,16	10,45	18,67
13. Diesel Locomotive Works			
14. Dandakaranya-Bolangir-Kiriburu Railway Projects	27,88	41,61	53,51
15. Railway Board and other Miscellaneous item	5,63	6,13	89,45
TOTAL	1986,81	2136,40	2389,40

Notes

1.—The figures against the Eastern, Northern, Northeastern and Northeast Frontier Railways include the estimated Capital-at Charge of the portions of the ex-Assam Railway, ex-Eastern Punjab Railway and ex-Bengal Assam Railway.

2.—The Capital-at-Charge of ex-States lines amlgamated with Government Railways during 1949-50 and of worked lines which vested in the Centre from 1-4-1950 amounting to about Rs. 63·76 crores, which has been added to the capital of the respective Railways of which they now form part is still provisional.

3. (a) The Capital-at-Charge to end of 1962-63 includes an amount of Rs. 0·11 crore due to transfer from Development Fund of the cost of the new line 'Bobbili-Salur' on Southeastern Railway as it has been assessed to be remunerative, Rs. 0·02 crore on account of modifications made in the *ad hoc* Capital-at-Charge of the pre-partition period and excludes Rs. 0·48 crore due to write back to Development Fund of the erroneous adjustment made in 1961-62 relating to the works "Restoration of Bhagalpur-Mandar-Hill" on Eastern Railway and conversion of "Adipur-Bhuj" on Western Railway and Rs. 0·03 crore due to write back to Development Fund of the cost of the works-providing crossing station at Kargada and Doubling of Godhra-Ratlam, and certain adjustments relating to transfer of the cost of quarters for Class III and IV Staff, quarters forming part of a scheme.

(*b*) The Capital-at-Charge to end of 1963-64 includes 2·34 crores due to proposed transfer from Development Fund of the cost, on the basis of post-budget assessment of financial prospects of certain works, which has shown that these works are likely to earn the prescribed net return on outlay to justify their charge to Capital.

APPENDIX VII

Total value of Railway assets, under various categories, whether financed from Capital, Depreciation Reserve Fund or Development Fund as on 31st March, 1963.

The capital structure of the Indian Government Railways, as charged in the accounts, does not reflect the cost of assets financed from sources other than capital, that is, assets created out of depreciation reserve fund or development fund. There is an indication of the value of the "improvement element" of the cost of the assets financed from other than capital, in the block account forming an annexure to the annual appropriation accounts of the Indian Railways. The block account does not however reflect the difference between the original value of the assets as in the capital accounts and the replacement cost at the higher prices current at the time of replacement (the "inflationary" element). This has been separately estimated. The following table shows the total value of railway assets under broad categories, whether financed from capital, depreciation reserve fund, or development fund, as on 31st March, 1963, derived from the Block account (but excluding only the value of assets created from revenue as their replacement will also be financed currently from revenue).

(Figures in lakhs of rupees)

Particulars	Capital-at charge (comprising loan account)	Value of assets including improvement element in assets created out of D.R.F. or shown in block accounts	Value of assets including inflationary and improvement elements of assets created from D.R. or D.F.
1. Land	33,04	33,04	33,04
2. Structural Engineering Works—			
(a) Stations and Offices	63,69	109,27	134,27
(b) Workshop and Stores buildings	26,51	43,52	53,47
(c) Residential Buildings	54,35	109,53	134,59
(d) Track	788,45	912,00	1120,63
3. Rolling Stock—			
(a) Locomotives and spare boilers	200,43	220,44	270,87
(b) Carriages including Rail Cars and E.M.U. Stock	228,99	248,67	305,54
(c) Wagons	278,01	294,45	361,81
(d) Ferries	3,55	4,20	5,1[illegible]
4. Equipment (Machinery and Plant etc.) other than Rolling Stock	66,68	85,15	108,57
5. Miscellaneous	5,13	5,30	6,51
6. Suspense (Floating assets like inventories or stores holdings)	132,98	132,97	163,39
7. Investments in shares of Government and other Commercial Undertakings	15,00	15,00	15,00
TOTAL	1896,81	2213,54	2712,85

NOTE.—The annual depreciation provision of Rs. 80 crores for 1963-64, in relation to the total value of all railway assets of the order of Rs. 3,000 crores (namely value as on 31st March, 1963 *plus* half the outlay for 1963-64 as it will stand at the end of the year), is about 2·67 per cent of the total value of all assets *or* about 4 per cent of capital-at-charge. The figure of Rs. 3,000 crores makes some allowance to bring up, to the present value, a relatively small portion of the assets borne on the capital account at the pre-war level of prices.

APPENDIX VIII

Statement showing the percentage of (*i*) Total Working Expenses to Gross Traffic Receipts, (ii) Net Revenue to Capital-at-Charge, and (iii) Net Surplus to Capital-at-Charge of Indian Government Railways

(Figures in lakhs of rupees)

Year	Capital at-Charge	Gros Traffic Receipts	Working expenses (including depreciation provision)	Net Revenue	Net surplus	Percentage of		
						Working expenses Col. (4) to Gross Traffic Receipt Col. (3)	Net Revenue (Col. (5) to Capital-at-Charge Col. (2)	Net surplus Col. (6) to Capital at-Charge Col. (2)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1950-51	827,04	263,01	210,48	47,56	15,05	79·9	5·8	1·8
51-52	850,11	290,82	224,35	61,75	28,34	77·0	7·3	3·3
52-53	857,38	270,56	218,17	47,18	13,19	80·6	5·5	1·5
53-54	869,30	274,29	231,75	36,92	2,56	84·4	4·2	0·3
54-55	901,58	286,78	236,09	44,06	9,10	82·3	4·9	1·0
55-56	968,98	316,29	258,22	50,34	14,22	81·6	5·2	1·5
56-57	10,71,71	347,57	279,27	58,38	20,22	80·3	5·4	1·9
57-58	1222,44	379	309,44	57,78	13,38	81·5	4·7	1·1
58-59	1356,59	390,21	321,44	59,32	8,93	82·4	4·4	0·7
59-60	1432,28	422,33	334,62	74,55	20,12	79·2	5·2	1·4
60-61	1520,87	456,80	358,24	87,87	32,01	78·4	5·8	2·1
61-62	16,82,98	500,50	390,51	99,75	24,40	78·0	5·9	1·5
62-63	1896,81	566,79	429,52	123,32	42,06	75·8	6·5	2·2
63-64 (R.E.)	2136,40	622,22	473,48	132,78	37,75	76·1	6·2	1·8
64-65 (B.E.)	2389,40	668,00	516,86*	134,10	30,87	77·4	5·6	1·3

*Includes also appropriation to Pension Fund from Revenue (from 1964-65).

NOTE : (1) Col. (5).— Net Revenue represents the net earnings during an accounting period after meeting all the revenue charges except the payment of dividend and of the fixed contribution of 12·5 crores, from 1961-62 in lieu of tax on Passenger fares, to General Revenues, for tranfers to the States.

(2) Col. (6).— Net Surplus represents the net earnings during an accounting period after meeting all the revenue charges including the payment of dividend and of the fixed contribution of 12·5 crores, from 1961-62 in lieu of tax on passenger fares, to General Revenues, for transfer to the States.

APPENDIX VIII—*contd.*

(Figures in lakhs of Rupees)

Period	Average Capital-at-Charge	Percentage of the average net Revenue before payment to General Revenues—on the average Capital-at-Charge		Percentage of the average net Surplus after making payment to the General Exchequer of interest (dividend) and other charges	
		Amount	Percentage	Amount	Percentage
1	2	3	4	5	6
	Rs.	Rs.	Rs.	Rs.	Rs.
I Plan Period (1951-56) . .	89,847	48,05	5·4	13·48	1·5
II Plan period (1956-61) . .	1320,78	65,58	5·0	18·93	1·4
III Plan period (1961-65) (Four years)	2026,40	122,49	6·0	33·77	1·7

N.B.—The Third Plan figures shown above include Revised Estimate figures for 1963-64 and Budget Estimate figures for 1964-65.

APPENDIX IX

RAILWAY-WISE FIGURES OF PERCENTAGE OF NET REVENUE TO CAPITAL-AT-CHARGE

Railway	1960-61	1961-62	1962-63	1963-64 (Revised Estimate)	1964-65 (Budget Estimate)
Central	11·0	10·5	11·6	9·9	8·9
Eastern	7·0	7·3	8·1	7·0	6·7
Northern	4·9	5·0	6·4	6·7	6·9
Northeastern	(—)5·3	(—)2·2	NIL	0·8	(—)0·7
Northeast Frontier	(—)7·4	(—)6·6	(—)4·5	(—)2·6	(—)2·1
Southern	3·4	3·9	3·1	3·4	3·1
Southeastern	10·9	10·9	11·3	10·6	11·0
Western	9·7	9·8	9·1	9·9	9·0

NOTE.—Net Revenue represents the net earnings during an accounting period, after meeting all the Revenue charges except the payment of dividend to General Revenues & the fixed contribution of Rs. 12·5 crores, in lieu of tax on passenger fares, to General Revenues. The above figures indicate progressive improvement in the financial position of the Northeastern and Northeast frontier Railways.

APPENDIX X

Statement showing the Sources and Application of Funds in the Third Five-Year Plan for Railways

(Figures in lakhs of rupees)

I Plan (1951-56)	II Plan (1956-61)	Description	III PLAN 1961-62	1962-63	Revised Estimate, 1963-64	Budget Estimate, 1964-65
1	2	3	4	5	6	7
		SOURCES				
		A. Railway Funds :				
		I. *(1) Appropriation from Revenue to Depreciation Reserve Fund including interest on balances .	65,80	67,93	81,06	84,59
182,89	236,90	@ (2) Net Appropriation from Revenue to Railway Pension Fund including interest on balances . .	..	..	..	15,29
..	..	(3) Appropriation from Revenue Surplus to Development Fund including ineterest on balances .	24,71	42,76	39,10	32,49
43,98	93,38	(4) Open Line Works (Revenue) . .	9,60	10,96	1 ,50	13,00
23,29	52,55	(5) Appropriation from Revenue Surplus to Revenue Reserve Fund including interest on balances . .	1,92	2,02	2,16	2,27
32,21	7,97					
282,37	390,80	TOTAL .	1,0209	123,66	134,82	147,64
		B. Government Funds:				
		II. (1) Increase in Capital-at-Charge .	144,90	214,89	237,25	253,00
143,16	549,27	(2) Loans for Development Fund	..	..	..	..
..	29,40					
143,16	578,67	TOTAL	144,90	214,89	237,25	253,00
425,53	969,47	GRAND TOTAL—Sources	246,99	338,55	372,07	400,64

(Figures in lakhs of rupees)

1	2	3	4	5	6	7
		APPLICATION				
		III. Expenditure :				
143,16	549,27	(1) Capital . .	144,90	214,89	237,25	253,00
206,49	320,42	(2) Depreciation Reserve Fund .	58,24	75,37	70,50	71,00
50,53	121,45	(3) Development Fund . .	21,14	23,17	29,75	33,00
—24	..	(4) Revenue Reserve Fund .	..	..	..	..
23,29	52,55	(5) Open Line Works (Revenue) . .	9,60	10,95	12,50	13,00
423,23	1043,69	TOTAL—INVESTMENT .	233,88	324,38	350,00	370,00
		IV. Net increase (+) or decrease (—), to the Railway Funds' balances :				
—23,60	—83,52	(1) Depreciation Reserve Fund	+7,62	—7,44	+10,56	+13,59
—6,55	+1,33	(2) Development Fund	+3,57	+19,59	+9,35	—51
+32,45	+7,97	(3) Revenue Reserve Fund .	+1,92	+2,02	+2,16	+2,27
..	..	(4) Pension Fund.	..	..	..	+15,29
×2,30	+74,22	TOTAL . .	+13,11	+14,17	+22,07	+30,64
435,53	969,47	GRAND—TOTAL .	246,99	338,55	372,07	400,64
1,68	4,38	* Excludes Appropriation from Capital(C.L.W. & I.C.F.) to Depreciation Reserve Fund . .	1,77	1,09	1,55	,11
..	..	@Excludes Appropriation from Capital (C.L.W.I.C.F. 4 D.L.W.) to Pension Fund) .	..	..	..	30

APPENDIX XI

APPENDIX XI

Statement of Receipts and Expenditure of Indian Government Railways
1964-65.

(Figures in thousands of Rupees)

	Actuals, 1958-59	Actuals, 1959-60	Actuals, 1960-61	Actuals, 1961-62	Actuals, 1962-63	Budget Estimate, 1963-64	Revised Estimate 1963-64	Budget Estimate, 1964-65
Capital-at-Charge	1 356,58,84	1432,28,09	1520,86,51	1682,97,52	1896,81,10	2104,06,03	2136,40,19	2389,40,19
Traffic Earnings—								
(*a*) Coaching—								
(*i*) Passengers—								
Upper	14,52,50	15,31,61	15,8,40	17,54,56	20,36,07	20,04,00	21,55,00	22,01,00
Third	102,21,67	110,47,58	116,40,48	133,33,29	148,82,47	152,46,000	158,48,00	161,99,00
(*ii*) Other Coaching	23,58,75	25,41,19	27,2126	29,10,47	32,53,63	34,80,00	34,80,00	35,00,00
(*b*) Goods	240,81,70	260,49,66	286,14,38	306,89,67	349,52,34	379,00,00	391,66,00	432,00,00
(*c*) Sundry Other Earnings	9,62,11	10,84,36	12,62,88	13,60,86	16,68,16	14,50,00	16,88,00	18,00,00
TOTAL	390,76,73	422,36,40	457,57,40	500,48,85	567,92,67	600,80,00	623,37,00	669,00,00
Suspense	—55,82	—2,87	—76,93	1,40	—1,13,68	—1,11,00	—1,15,00	—1,00,00
Gross Traffic Receipts*	390,20,91	422,33,53	456,80,47	500,50,25	566,78,99	599,69,00	622,22,00	668,00,00
Working Expenses—								
Ordinary Working Expenses—								
(*i*) Administration	34,30,07	34,86,42	37,50,70	37,60,44	40,89,71	42,67,31	44,48,37	47,45,88
(*ii*) Repairs and Maintenance	91,58,81	94,14,26	99,75,17	100,45,18	112,83,71	118,39,90	122,04,32	130,92,24
(*iii*) Operating Staff	57,14,40	57,91,30	63,44,60	64,38,24	72,26,28	7560,69	77,11,35	82,12,54
(*iv*) Operation (Fuel)	52,46,46	57,98,04	62,79,76	68,34,62	75,73,13	81,01,88	86,03,72	92,04,48
(*v*) Operation other than Staff and Fuel	15,64,98	17,70,60	18,29,70	18,19,47	21,27,34	22,14,43	21,78,09	23,83,22
(*vi*) Miscellaneous Expenses	19,13,50	19,97,58	23,84,51	26,50,34	28,09,61	26,55,76	28,46,01	24,26,05
(*vii*) Labour Welfare	7,94,42	8,36,11	9,67,67	10,24,35	11,89,96	13,63,53	13,85,79	15,46,13
TOTAL	278,22,64	290,94,31	315,32,12	325,72,64	362,99,74	379,76,50	393,77,65	416,09,54
Suspense	—1,89,75	—1,41,73	—2,16,86	—39,34	—62,18	—72,57	—43,80	—1,41,71
TOTAL—ORDINARY WORKING EXPENSES	276,32,89	289,52,58	313,15,26	325,33,30	362,37,56	379,03,93	393,33,85	414,57,80
Appropriation to Depreciation Reserve	45,00,00	45,00,00	45,00,00	65,00,00	67,00,00	80,00,00	80,00,00	83,00,00
Fund Appropriation to Pension Fund								19,00,00

Payments to Worked Lines—								
(a) Net earnings	10,36	9,11	8,49	17,47	13,86	13,68	14,18	14,14
(b) Rebate	84	60	69	14	55	59	9	16
TOTAL—WORKING EXPENSES	321,44,09	334,62,29	358,24,44	390,50,91	429,51,97	459,18,20	473,48,12	516,82,13
Net Traffic Receipts	68,76,82	987,71,24	98,56,03	109,99,34	137,27,02	140,50,80	148,73,88	151,17,87
Miscellaneous Transactions—								
(a) Receipts—								
(i) Other receipts from subsidised companies	2,20	1,59	3,42	2,88	2,20	2,36	3,45	2,61
(ii) Other Miscellaneous Receipts	3,66,43	1,24,76	3,59,11	2,60,88	93,00	23,71	49,82	13,10
TOTAL—Receipts	3,68,63	1,26,35	3,62,53	2,63,76	95,20	26,07	53,27	15,71
(b) Expenditure—								
(i) Land	..	..	..	..	..	..	..	..
(ii) Subsidy	10,91	9,49	9,97	11,87	13,91	16,74	16,74	19,23
(iii) Surveys	8,76	27,51	16,46	9,56	43,17	48,17	28,78	12,43
(iv) Other Miscellaneous Expenditure	2,17,92	2,23,28	2,55,09	3,06,48	3,37,27	3,50,14	3,53,85	3,92,05
(v) Open Line Works—Revenue	10,76,18	11,81,56	11,49,65	9,60,44	10,95,36	12,50,00	12,49,71	13,00,00
TOTAL—EXPENDITURE	13,13,77	14,41,84	14,31,17	12,88,35	14,89,71	16,65,59	16,49,08	17,23,71
Net Miscellaneous Receipts	—9,54,14	—13,15,49	—10,68,64	—10,24,59	—13,94,51	—16,39,52	—15,95,81	—17,08,00
Net Revenue	59,31,68	74,55,75	87,87,39	99,74,75	123,32,51	124,11,28	132,78,07	134,09,87
(i) Dividend to General Revenues	50,38,82	54,43,26	55,85,97	62,84,83	68,76,01	80,60,86	82,52,65	90,73,45
(ii) Payment to General Revenues in lieu of tax on railway passenger fares	..	..	..	12,50,00	12,50,00	12,50,00	12,50,00	12,50,00
Profits for the year	8,92,86	20,12,49	32,01,42	24,39,92	42,06,50	31,00,42	37,75,42	30,86,42
Include receipts of worked lines	49,61	47,11	55,01	57,95	53,47	51,58	54,43	52,77
Operating ratio	82·4 %	79·2 %	78·4%	78·0%	75·8 %	78·3 %	76·1 %	77·4 %
Ratio of net revenue to Capital-at-charge	4·4 %	5·2 %	5·8%	5·9 %	6·5 %	5·9 %	6·2 %	5·6%

NOTE.— Despite heavy increases in working costs of the Railways in the Third Plan Period and much greater rate of increase in Capital-at-Charge than in the earlier plan periods the average figures of percentage of net revenue to Capital-at-Charge in the first four years of the current plan period will be 6 per cent (as against 5 per cent in Second Plan and 5·4 per cent in First Plan). This observation holds good generally also for the individual Railways, whose financial results are given in separate statements.

APPENDIX XI—*contd.*

CENTRAL RAILWAY

Statement of Revenue Receipts and Expenditure.

(Figures in thousands of rupees)

	Actuals, 1958-59	Actuals, 1959-60	Actuals, 1960-61	Actuals, 1961-62	Actuals, 1962-63	Budget Estimate, 1963-64	Revised Estimate 1963-64	Budget Estimate 1964-65
Traffic Earnings—								
(*a*) Coaching—								
(*i*) Passengers—								
Upper	3,63,79	3,48,21	3,62,49	4,21,38	4,94,93	4,79,20	5,17,00	5,28,30
Third	17,28,46	19,64,39	21,54,14	24,76,85	26,97,41	27,45,50	28,54,70	29,42,50
(*ii*) Other Coaching	6,64,76	6,35,26	7,44,13	8,05,13	9,47,52	10,73,50	9,04,00	9,05,40
(*b*) Goods	44,16,47	49,80,71	54,43,01	54,75,23	62,36,91	64,37,60	66,26,80	71,06,10
(*c*) Sundry Other Earnings	1,85,48	1,99,64	2,70,02	2,93,98	3,56,82	3,31,40	4,42,70	5,01,60
TOTAL	73,58,96	81,28,21	89,73,79	94,72,57	107,33,59	110,67,20	113,45,20	119,83,90
Suspense	11,34	2,24	—59,71	65,37	—28,75	—25,00	—25,00	—20,50
Gross Traffic Receipts*	73,70,30	81,30,45	89,14,08	95,37,94	107,04,84	110,42,20	113,20,20	119,63,40
Working Expenses—								
Ordinary Working Expenses—								
(*i*) Administration	5,13,34	5,22,29	5,70,95	5,68,27	6,08,39	6,44,66	6,85,48	7,43,84
(*ii*) Repairs and Maintenance	15,62,22	15,78,51	16,78,31	16,87,30	18,06,76	20,92,56	20,62,73	22,07,30
(*iii*) Operating Staff	9,08,20	9,02,59	10,10,12	10,28,87	11,45'32	12,55,89	12,87,06	14,06,04
(*iv*) Operation (Fuel)	9,71,78	10,24,16	11,57,90	13,03,59	14,77,07	15,38,96	15,84,05	17,95,32
(*v*) Operation other than staff and Fuel	2,83,67	3,31,59	3,11,88	3,23,05	4,18,24	4,18,62	4,12,73	4,62,79
(*vi*) Miscellaneous Expenses	3,64,30	3,64,33	4,60,56	4,82,69	4,79,22	4,35,50	4,54,59	3,94,06
(*viii*) Labour Welfare	1,37,37	1,41,90	1,50,65	162,10	1,84,64	2,19,77	2,29,20	2,55,92
TOTAL	47,40,70	48,65,37	53,40,37	55,55,87	61,19,64	66,05,96	67,15,84	72,65,27
Suspense	—63,92	—19,61	—51,54	—3,35	—23,01	—16,68	19,24	—81,31
TOTAL—ORDINARY WORKING EXPENSES	46,76,78	48,45,76	52,88,83	55,52,52	60,96,63	65,89,28	67,35,08	71,83,96

Appropriation to Depreciation Reserve Fund	8,42,79	8,13,32	7,75,65	10,83,08	10,75 65	12,62,82	12,62,35	12,74,49
Appropriation to Pension Fund	..	..	..	..	..	..	..	3,30,71
Payments to Worked Lines—								
(i) Net earnings	9,15	8,18	9,09	9,46	9,18	9,41	10,36	9,92
(ii) Rebate, etc.	..	..	..	..	..	..	..	..
TOTAL—WORKING EXPENSES	55,28,72	56,67,26	60,73,57	66,45,06	71,81,46	78,61,51	80,07,79	87,99,08
Net Traffic Receipts	18,41,58	24,63,19	28,40,51	28,92,88	35,23,38	31,80,69	33,12,41	31,64,32
Miscellaneous Transactions—								
(a) Receipts—								
(a) Other receipts from subsidised companies	2,08	1,59	2,05	2,24	2,10	2,22	2,72	2,43
(ii) Other Miscellaneous Receipts	60,30	16,07	35,14	32,31	10,87	51	3,12	15
TOTAL—RECEIPTS	62,38	17,66	37,19	34,55	12,97	2,73	5,84	2,58
(b) Expenditure—								
(i) Land	40	3,25	4,82	1,62	4,46	4,46	1,59	3,25
(ii) Surveys	1,90,11	2,11,27	2,44,54	1,51,20	1,49,64	1,55,30	1,58,24	1,42,90
(iii) Open Line Works—Revenue								
TOTAL—EXPENDITURE	1,90,51	2,14,52	2,49,36	1,52,82	1,54,10	1,59,76	1,59,83	1,46,15
Net Miscellaneous Receipts	—1,28,13	—1,96,86	—2,12,17	—1,18,27	—1,41,13	—1,57,03	—1,53,99	—1,43,57
Net Revenue	17,13,45	22,66,33	26,28,34	27,74,61	33,82,25	30,23,66	31,58,42	30,20,75
(i) Dividend to General Revenues	8,94,64	9,43,70	9,48,02	10,28,42	11,15,15	12,66,27	12,97,91	14,08,60
(ii) Share of payment to General Revenues in lieu of tax on railway passengers fares				2,40,11	2,35,86	2,33,68	2,36,06	2,37,10
Profit (+) and loss(—) for the year	8,18,81	13,22,63	16,80,32	15,06,08	20,3124	15,23,71	16,24,45	13,75,0
*Include receipts of Worked Lines	16,63	14,87	16,53	17,20	16,69	17,11	18,96	17,91

APPENDIX XI—*contd.*

EASTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1958-59	Actuals, 1959-60	Actuals, 1960-61	Actuals, 1961-62	Actuals, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
Traffic Earnings—								
(*a*) Coaching—								
(*i*) Passengers—								
Upper	1,41,39	1,56,67	1,62,24	2,00,53	2,19,91	2,18,40	2,31,40	2,38,60
Third	12,24,77	14,03,47	15,41,38	17,21,96	19,44,61	19,07,90	20,75,80	21,40,30
(*ii*) Other Coaching	2,13,37	2,58,57	2,80,11	3,05,09	3,29,04	3,59,00	3,47,10	3,44,50
(*b*) Goods	37,22,79	40,96,60	43,40,65	46,62,21	55,72,41	59,68,80	60,48,90	65,99,30
(*c*) Sundry Other Earnings	1,57,33	1,82,24	1,99,64	2,13,79	2,19,52	2,18,50	2,06,30	2,17,90
TOTAL	54,59,65	60,97,55	65,24,02	71,03,58	82,85,49	86,72,60	89,09,50	95,40,60
Suspense	—50,28	14,98	18	—44,14	—76,66	—20,00	—30,00	—24,60
Gross Traffic Receipts	54,09,37	61,12,53	65,24,20	70,59,44	82,08,83	86,52,60	88,79,50	95,16,00
Working Expenses—								
Ordinary Working Expenses—								
(*i*) Administration	5,56,16	5,65,66	6,09,34	6,12,24	6,72,67	6,97,19	7,63,35	8,00,23
(*ii*) Repairs and Maintenance	13,77,40	13,45,91	14,72,61	14,48,33	16,01,09	16,19,86	16,85,49	18,46,31
(*iii*) Operating staff	8,35,77	8,23,93	8,90,73	9,18,02	10,56,37	10,79,47	11,21,39	11,74,98
(*iv*) Operating (Fuel)	5,50,13	5,90,41	6,23,96	6,79,87	7,52,31	8,51,07	9,14,81	9,71,18
(*v*) Operation other than staff and Fuel	1,25,35	1,48,69	1,83,27	1,56,55	2,08,40	2,42,58	1,69,23	2,18,00
(*vi*) Miscellaneous Expenses	3,45,34	3,59,77	3,91,83	4,08,18	4,28,31	4,32,65	4,64,96	4,11,43
(*vii*) Labour Welfare	1,07,53	1,1;,40	1,38,80	1,50,13	1,74,62	1,86,04	1,96,74	2,12,53
TOTAL	38,97,68	39,44,77	43,10,54	43,73,32	48,93,77	51,08,86	53,15,97	56,34,66
Suspense	—5,26	—46,64	—21,15	—15,48	—14,21	—13,78	—24,47	—14,15
TOTAL—ORDINARY WORKING EXPENSES	38,92,42	38,98,13	42,89,39	43,57,84	48,79,56	50,95,08	52,91,50	56,20,51

Appropriation to Depreciation Reserve Fund	6,48,30	6,41,93	6,88,34	9,56,23	10,93,16	13,29,77	13,24,82	13,91,97
Appropriation to Pension Fund	..	..	..	..	..	..	..	2,86,26
TOTAL—WORKING EXPENSES	45,40,72	45,40,06	49,77,73	53,14,07	59,72,72	64,24,85	66,16,32	72,98,74
Net Traffic Receipts	8,68,65	15,72,47	15,46,47	17,45,37	22,36,11	22,27,75	22,63,18	22,17,26
Miscellaneous Transactions—								
(*a*) Receipts—								
(*i*) Other receipts from subsidised companies	..	..	..	..	1	..	39	..
(*ii*) Other Miscellaneous Receipts	34,50	16,72	36,84	51,81	15,00	6,52	6,70	3
TOTAL—RECEIPTS	34,50	16,72	36,84	51,81	15,01	6,52	7,09	3
(*b*) Expenditure—								
(*i*) Land								
(*ii*) Surveys	—98	23	—3,83	—4,72	48	2,82	3,36	32
(*iii*) Open Line Works—Revenue	87,89	96,81	98,87	94,21	1,15,76	1,73,10	1,73,10	1,67,32
TOTAL—EXPENDITURE	86,91	97,04	95,04	89,49	1,16,24	1,75,92	1,76,46	1,67,64
Net Miscellaneous Receipts	—52,41	—80,32	—58,20	—37,68	—1,01,23	—1,69,40	—1,69,37	—1,67,61
Net Revenue	8,16,24	14,92,15	14,88,27	17,07,69	21,34,88	20,58,35	20,93,81	20,49,65
(*i*) Dividend to General Revenues	6,81,13	7,73,76	7,53,39	8,59,14	9,20,28	10,68,53	11,22,11	12,00,30
(*ii*) Share of payment to General Revenues in lieu of tax on railway passenger fares				1,59,28	1,59,92	1,54,08	1,60,20	1,61,60
Profit (+) and loss (—) for the year	1 35,11	7,18,39	7,34,88	6,89,27	10,54,68	8,35,74	8,11,50	6,87,75

APPENDIX XI—*contd.*

NORTHERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1958-59	Actuals, 1959-60	Actuals, 1960-61	Actuals, 1961-62	Actuals, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1964-65	Budget Estimate, 1964-65
Traffic Earnings.—								
Coaching—								
(*a*) (*i*) Passengers—								
Upper	2,41,31	2,94,13	2,80,54	2,84,58	3,65,66	3,44,00	3,82,50	3,91,50
Third	18,21,68	20,52,37	20,92,68	23,43,39	26,35,53	27,31,90	28,02,20	28,69,30
(*ii*) Other Coaching	3,42,96	3,23,60	3,57,76	4,05,01	3,82,55	4,45,10	4,64,20	4,71,10
(*b*) Goods	35,21,96	35,29,16	35,40,37	39,50,35	44,31,89	46,99,40	51,56,60	57,44,50
(*c*) Sundry Other Earnings	1,25,82	1,29,79	1,75,07	1,85,61	2,78,84	1,93,00	2,66,30	2,80,50
TOTAL	60,53,73	63,29,05	64,46,42	71,68,94	80,94,47	84,13,40	90,71,80	97,56,90
Suspense	—3,78	—17,08	—11,56	8,67	—5,05	1,00	—8,00	80
Gross Traffic Receipts	60,49,95	63,11,97	64,34,86	71,77,61	80,89,42	84,14,40	90,63,80	97,57,70
Working Expenses—								
Ordinary Working Expenses—								
(*i*) Administration	5,28,19	5,29,00	5,65,20	5,74,33	6,32,36	6,47,67	6,77,93	7,21,82
(*ii*) Repairs and Maintenance	12,80,17	14,06,13	14,85,01	14,41,18	15,92,00	16,98,42	16,77,02	17,39,10
(*iii*) Operating staff	8,85,09	9,02,04	10,07,40	9,89,33	10,91,21	11,43,16	11,52,66	12,07,49
(*iv*) Operation (Fuel)	7,50,40	8,34,73	8,83,74	10,86,13	11,19,34	12,31,49	13,85,81	15,31,56
(*v*) Operation other than Staff and Fuel	2,37,73	1,85,51	1,90,35	2,28,71	2,48,42	2,53,93	2,95,83	3,17,97
(*vi*) Miscellaneous Expenses	2,72,44	2,65,20	3,08,16	4,15,33	4,80,02	4,55,17	4,68,50	3,55,63
(*vii*) Labour Welfare	1,23,15	1,27,24	1,47,51	1,52,62	1,80,42	1,84,94	2,02,30	2,20,89
TOTAL	40,77,16	42,49,85	45,87,37	48,87,63	53,43,77	56,14,78	58,60,05	60,94,46
Suspense	—6,30	14,89	—21,41	—3,19	—48,67	—5,92	—17,29	—19,76
TOTAL—ORDINARY WORKING EXPENSES	40,70,86	42,64,74	45,65,96	48,84,44	52,95,10	56,08,86	58,42,76	60,74,70

Appropriation to Depreciation Reserve Fund	6,99,45	6,99,76	6,88,23	10,07,10	9,81,74	11,52,48	11,46,14	11,68,62
Appropriation to Pension Fund	..	..	..	..	..	..	..	2,95,82
Payments to Worked Lines:								
(i) Net earnings	..	..	..	..	..	..	..	..
(ii) Rebate, etc.	..	..	..	..	..	..	..	..
TOTAL—WORKING EXPENSES	47,70,31	49,64,50	52,54,19	58,91,54	62,76,84	67,61,34	69,88,90	75,39,14
Net Traffic Receipts	12,79,64	13,47,47	11,80,67	12,86,07	18,12,58	16,53,06	20,74,90	22,18,56
iscellaneous Transactions—								
(a) Receipts—								
(i) Other receipts from subsidised companies			63	..	..	..	..	..
(ii) Other Miscellaneous Receipts	75,70	21,52	74,24	43,50	23,34	3,22	12,06	3,06
TOTAL—RECEIPTS	75,70	21,52	74,87	43,50	23,34	3,22	12,06	3,06
(b) Expenditure—								
(i) Land	..	..	..	..	..	..	..	..
(ii) Surveys	—1,14	1,55	1,11	7,56	11,38	8,56	6,98	1,73
(iii) Open Line Works—Revenue	1,97,56	2,12,58	1,69,85	1,14,68	1,24,33	1,38,42	1,40,90	1,26,00
TOTAL—EXPENDITURE	1,96,42	2,14,13	1,70,96	1,22,24	1,35,71	1,46,98	1,47,88	1,27,73
Net Miscellaneous Receipts	1,20,72	—1,92,61	—96,09	—78,74	—1,12,37	—1,43,76	—1,35,82	1,24,67
Net Revenue	11,58,92	11,54,86	10,84,58	12,07,33	17,00,21	15,09,30	19,39,08	20,93,89
(i) Dividend to General Revenues	7,52,86	7,88,78	7,97,33	8,89,99	9,53,89	10,64,08	10,87,20	11,41,27
(ii) Share of payment to General Revenues in lieu of tax on railway passenger fares	..	..	..	2,17,72	2,21,74	2,22,89	2,21,15	2,21,52
Profit (+) and loss (—) for the year	4,06,06	3,66,08	2,87,25	99,62	5,24,58	2,22,33	6,30,73	7,31,10

APPENDIX XI—*contd.*

NORTHEASTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1958-59	Actuals, 1959-60	Actuals, 1960-61	Actuals, 1961-62	Actuals, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
Traffic Earnings—								
(*a*) Coaching—								
(*i*) Passengers—								
Upper	68,67	59,53	54,42	60,48	72,30	73,30	75,10	75,70
Third	8,48,68	7,65,20	7,41,70	9,55,94	10,89,71	10,99,70	11,94,40	12,02,00
(*ii*) Other Coaching	1,20,73	1,43,16	1,35,45	1,18,59	1,73,76	1,51,70	1,92,80	1,91,60
(*b*) Goods	7,96,88	6,19,43	10,64,48	11,63,66	12,71,06	13,60,40	13,66,00	14,67,20
(*c*) Sundry Other Earnings	52,59	48,98	85,12	69,48	1,09,83	78,00	84,50	88,40
TOTAL	18,87,55	16,36,30	20,81,17	23,68,15	27,16,67	27,63,10	29,12,80	30,24,90
Suspense	90,05	—31,85	—26,33	8,84	7,85	13,00	13,00	9,90
Gross Traffic Receipts	19,77,60	16,04,45	20,54,84	23,76,99	27,24,52	27,76,10	29,25,80	30,34,80
Working Expenses—								
Ordinary Working Expenses—								
(*i*) Administration	2,80,45	2,88,00	3,03,74	2,92,99	3,21,37	3,27,57	3,35,94	3,56,34
(*ii*) Repairs and Maintenance	6,18,63	6,66,09	6,81,80	6,35,47	7,13,35	7,40,97	7,37,33	7,81,23
(*iii*) Operating staff	4,27,41	4,3035	4,72,85	4,57,99	5,01,43	5,13,92	5,12,96	5,41,56
(*iv*) Operation (Fuel)	2,84,92	2,92,44	3,17,06	3,34,86	3,54,57	3,74,83	3,82,70	3,85,48
(*v*) Operation other than staff and Fuel	1,57,74	2,00,40	1,78,85	1,35,92	1,62,06	1,94,27	1,61,87	1,68,07
(*vi*) Miscellaneous Expenses	1,09,30	1,24,06	1,60,96	1,58,38	1,60,89	1,75,99	1,79,38	1,70,75
(*vii*) Labour Welfare	57,72	62,21	70,56	73,38	76,45	89,11	85,94	99,32
TOTAL	19,36,17	20,63,55	21,85,82	21,08,99	22,90,12	24,16,66	23,96,12	25,02,75
Suspense	—14,49	—10,29	—45,30	—13,18	—13,18	—12,76	—9,12	—5,66
TOTAL—ORDINARY WORKING EXPENSES	19,21,68	20,53,26	21,40,52	20,95,81	22,76,94	24,03,90	23,87,00	24,97,09

Appropriation to Depreciation Reserve Fund	2,76,98	2,70,41	2,64,11	3,77,48	3,43,21	3,80,73	3,76,25	3,67,24
Appropriation to Pension Fund	..	..	..	..	..	..	..	1,35,27
Payments to Worked Lines :—								
(i) Net earnings	..	..	..	..	..	..	..	..
(ii) Rebate, etc.	..	..	..	..	..	..	..	..
TOTAL—WORKING EXPENSES	21,98,66	23,23,67	24,04,63	24,74,29	26,20,15	27,84,63	27,63,25	29,99,60
Net Traffic Receipts	—2,21,06	—7,19,22	—3,49,79	— 96,30	1,04,37	—8,53	1,62,55	35,20
Miscellaneous Transactions—								
(a) Receipts—								
(i) Other receipts from subsidised Companies	..	..	36	88	..	1	32	18
(ii) Other Miscellaneous Receipts	16,94	8,12	12,26	11,79	4,25	1	6,14	..
TOTAL—RECEIPTS	16,94	8,12	12,62	12,67	4,25	2	6,46	18
(b) Expenditure—								
(i) Surveys	7	—2	—16	3	8	..	8	—10
(ii) Open Line Works—Revenue	79,12	94,92	1,02,92	1,06,74	1,11,14	99,51	99,51	1,04,20
TOTAL—EXPENDITURE	79,19	94,90	1,02,76	1,06,77	1,11,22	99,51	99,59	1,04,10
Net Miscellaneous Receipts	—6,25	—86,78	—90,14	—94,10	—1,06,97	—99,49	—93,13	—1,03,92
Net Revenue	—2,83,31	—8,06,00	—4,39,93	—1,90,40	—2,60	—1,08,02	69,42	—68,72
(i) Dividend to General Revenues.	2,96,33	3,11,43	3,37,34	3,54,61	3,61,65	3,96,38	3,98,80	4,15,96
(ii) Share of payment to General Revenues in lieu of tax on railway passenger fares	..	..	..	84,21	85,85	85,00	88,15	86,80
Profit (+) and loss (—) for the year	—5,79,64	—11,17,43	—7,77,27	—6,29,22	—4,51,00	—5,89,40	—4,17,53	—5,71,48

One of the significant features of the Northeastern Railway is the expenditure on the maintenance and operation of the large transhipment points at Garhara and Manduadih, for which the Railway does not get a proportionate share of earnings, under the present basis of apportionment of through traffic. Though similar factors affect all the Railways, the financial effect of the special feature adversely affecting the financial of the North eastern Railway is as much as Rs. 1 crore.

It is significant that, through sustained efforts, this Railway's Net Revenue position (*i.e.* before making payments of its share of charge to General Revenues) progressively improved and reached a near solvent position in 1962-63 and is expected to improve further in 1963-64 (Revised Estimates). Some unavoidable set back, however, is expected in 1964-65 due to additional inescapable commitments.

APPENDIX XI—*contd.*

NORTHEAST FRONTIER RAILWAY

Statement of Revenue Receipts and Expenditure.

(Figures in thousands of rupees)

	Actuals, 1958-59	Actuals, 1959-60	Actuals, 1960-61	Actuals, 1961-62	Actuals, 1963-64	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
Traffic Earnings—								
(*a*) Coaching—								
(*i*) Passengers—								
Upper	27,54	27,78	34,46	41,07	60,39	39,80	91,20	95,30
Third	3,28,56	3,63,23	4,08,03	4,50,98	5,79,79	5,61,10	6,99,90	7,30,40
(*ii*) Other Coaching	82,83	1,29,54	1,06,85	1,31,16	1,59,24	1,50,00	2,15,90	2,23,40
(*b*) Goods	7,53,69	7,48,22	7,59,33	8,68,86	10,55,46	11,75,10	13,39,70	15,25,50
(*c*) Sundry Other Earnings	46,09	3550,	19,25	40,38	63,01	44,00	61,00	63,90
TOTAL	12,38,71	13,04,27	13,27,92	15,32,45	19,17,89	19,70,00	24,07,70	26,38,50
Suspense	—79,97	36,61	18,55	11,36	—9,79	—10,00	—10,00	8,20
Gross Traffic Receipts	11,58,74	13,40,88	13,46,47	15,43,81	19,08,10	19,60,00	23,97,70	26,30,30
Working Expenses—								
Ordinary Working Expenses—								
(*i*) Administration	1,59,03	1,79,50	2,02,83	2,15,89	2,35,47	2,61,10	2,62,34	2,82,44
(*ii*) Repairs and Maintenance	5,78,76	5,81,18	5,74,64	5,68,49	6,30,77	7,02,77	6,95,21	7,13,04
(*iii*) Operating Staff	3,02,85	3,00,74	3,20,53	3,41,91	3,96,67	4,26,57	4,17,41	4,58,40
(*iv*) Operation (Fuel)	1,76,96	2,29,03	2,39,48	2,89,83	2,87,77	3,13,36	3,45,14	3,42,15
(*v*) Operation other than staff and Fuel	80,44	1,10,39	1,32,68	1,20,00	1,50,21	1,65,28	1,78,47	1,86,58
(*vi*) Miscellaneous Expenses	88,65	1,10,16	1,10,86	1,34,39	1,61,58	1,85,77	1,93,44	1,87,47
(*vii*) Labour Welfare	61,34	66,00	80,42	85,31	99,01	1,10,46	1,07,61	1,19,10
TOTAL	14,48,03	15,77,00	16,61,44	17,55,82	19,61,48	21,65,31	21,99,62	22,89,18
Suspense	—73	4504	—19,28	6,29	—39,27	—18,16	—18,27	—21,04
TOTAL—ORDINARY WORKING EXPENSES	14,47,30	16,22,04	16,42,16	17,62,11	19,22,21	21,47,15	21,81,35	22,68,14

Appropriation to Depreciation Reserve Fund	2,26,48	2,15,49	2,22,81	3,71,23	4,04,35	4,86,88	4,83,70	5,26,93
Appropriation to Pension Fund	..	..	..	..	..	..	..	1,02,93
Payments to Worked Lines								
(i) Net earnings	2,80	3,08	2,67	2,75	2,75	2,81	2,38	2,08
(ii) Rebate	..	..	..	11	8	18	8	15
TOTAL —WORKING EXPENSES	16,76,58	18,40,61	18,67,64	21,36,20	23,29,39	26,37,02	26,67,51	29,00,23
Net Traffic Receipts	—5,17,84	—4,99,73	—5,21,17	—5,92,39	—4,21,29	—6,77,02	—2,69,81	—2,69,93
Miscellaneous Transactions—								
(a) Receipts—								
(i) Other receipts from subsidised companies	12	..	38	—24	9	13	2	..
(ii) Other Miscellaneous Receipts	5,11	5,00	—10	6,37	1,97	37	3,92	..
TOTAL—RECEIPTS	5,23	5,00	28	6,13	2,06	50	3,94	..
(b) Expenditure—								
(i) Land	..	..	..	..	..	..	..	..
(ii) Surveys	1,38	1,35	1,31	27	5	..	6,63	—597
(iii) Open Line Works—Revenue	42,79	65,81	81,48	73,21	84,76	69,40	71,90	60,08
TOTAL—EXPENDITURE	44,17	67,16	82,70	73,48	84,81	69,40	78,53	54,11
Net Miscellaneous Receipts	—38,94	—62,16	—82,51	—67,35	—82,75	—68,90	—74,59	—54,11
Net Revenue	—5,56,78	—5,61,89	—6,03,68	—6,59,74	—5,04,04	—7,45,92	—3,44,40	—3,24,04
(i) Dividend to Generl Revenues	2,42,59	2,52,87	2,60,86	2,83,54	3,22,93	3,48,70	2,78,72	2,36,04
(ii) Share of payment to General Revenue in lieu of tax on railway passenger fares	..	..	..	40,77	47,30	43,54	54,95	56,10
Profit (+) and loss (—) for the year	—7,99,37	—8,14,76	—8,64,54	—9,84,05	—8,74,27	—11,38,16	—6,78,07	—6,16,18
*Include receipts of worked Lines	5,60	6,16	5,34	5,50	5,49	5,62	4,77	4,16

ficant improvement in the financial position is expected according to Revised Estimate, 1963-64 and Budget Estimate, 1964-65.

APPENDIX XI—*contd.*

SOUTHERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals 1958-59	Actuals 1959-60	Actuals 1960-61	Actuals 1961-62	Actuals 1962-63	Budget Estimate 1963-64	Revised Estimate 1963-64	Budget Estimate 1964-65
Traffic Earnings—								
(*a*) Coaching—								
(*i*) Passengers—								
Upper	2,46,48	2,42,27	2,40,17	2,84,13	2,96,99	3,04,90	3,14,60	3,15,00
Third	17,22,45	17,92,67	19,66,24	22,70,19	23,89,61	25,48,90	24,35,40	24,40,00
(*ii*) Other Coaching	3 74,95	4,01,15	4,14,63	4,26,80	4,95,61	5,08,90	5,80,00	5,56,60
(*b*) Goods	29,61,85	32,52,28	34,61,71	36,64,93	39,37,24	43,92,50	44,45,00	49,38,400
(*c*) Sundry Other Earnings	1,71,11	1,75,33	2,03,17	2,15,67	2,43,87	2,21,70	2,80,00	2,75,20
TOTAL	54,76,84	58,63,70	62,85,92	68,61,71	73,63,32	79,76,90	80,55,00	85,25,20
Suspense	26,17	4,89	—3,61	—4,44	—24,22	..	—5,00	..
Gross Traffic Receipts*	55,03,01	58,68,59	62,82,31	68,57,28	73,39,10	79,76,90	80,50,00	85,25,20
Working Expenses—								
Ordinary Working Expenses—								
(*i*) Administration	4,92,38	4,92,27	5,20,70	5,17,79	5,46,13	5,61,87	5,93,67	6,28,39
(*ii*) Repairs and Maintenance	13,10,36	12,96,35	14,01,00	14,32,09	15,99,66	16,04,93	16,47,62	17,43,82
(*iii*) Operating Staff	9,25,39	9,30,26	10,12,78	10,12,88	11,40,64	11,52,16	11,86,63	12,55,17
(*iv*) Operation Fuel	11,72,66	12,64,75	12,63,37	12,26,91	13,52,26	14,66,69	15,27,27	15,44,44
(*v*) Operation other than Staff and Fuel	1,83,84	2,29,36	2,80,42	2,68,10	3,09,67	3,04,66	3,31,35	3,50,35
(*vi*) Miscellaneous Expenses	2,84,68	3,04,25	3,87,81	4,27,11	4,29,02	3,70,23	4,16,10	3,23,71
(*vii*) Labour Welfare	94,44	1,03,44	1,17,88	1,23,19	1,42,56	1,61,11	1,72,60	1,80,64
TOTAL	44,63,75	46,20,68	49,83,96	50,08,07	55,19,94	56,21,65	58,75,24	60,26,52
Suspense	—26,36	—18,06	—8,09	10,09	13,58	9,03	27,32	26,95
TOTAL—ORDINARY WORKING EXPENSES	44,37,39	46,02,62	49,75,87	50,18,16	55,33,52	56,30,68	59,02,56	60,53,47

Appropriation to Depreciation Reserve Fund	6,17,36	6,00,99	5,96,55	8,56,66	8,59,11	10,06,70	10,15,68	10,55,48
Appropriation to Pension Fund								
Payments to Worked Lines :—	..	..	..	..	..	..	..	2,68,85
(a) Net earnings	—1,59	—2,15	—3,27	5,26	1,93	1,46	1,44	2,14
(b) Rebate, etc.	84	60	69	3	47	41	1	1
TOTAL—WORKING EXPENSES	50,54,00	52,02,06	55,69,84	58,80,11	63,95,03	66,39,25	69,19,69	73,79,95
Net Traffic Receipts	4,49,01	6,66,53	7,12,47	9,77,17	9,44,07	13,37,65	11,30,31	11,45,25
Miscellaneous Transactions—								
(a) Receipts—								
(i) Other receipts from subsidised companies	..	..	..	..	..	..	..	..
(ii) Other Miscellaneous Receipts	92,71	18,42	96,73	33,43	11,88	40	3,47	1
TOTAL—RECEIPTS	92,71	18,42	96,73	33,43	11,88	40	3,47	1
(b) Expenditure—								
(i) Surveys	1,42	44	51	3,38	14,02	5,57	12,14	3,54
(ii) Open line Works—Revenue	1,58,38	1,64,01	1,58,65	1,78,10	2,07,03	2,46,34	2,32,44	2,56,62
TOTAL—EXPENDITURE	1,59,80	1,64,45	1,59,16	1,90,48	2,21,05	2,51,91	2,44,58	2,60,16
Net Miscellaneous Receipts	—67,09	—1,46,03	—62,43	—1,57,05	—2,09,17	—2,51,51	—2,41,11	—2,60,15
Net Revenue	3,81,92	5,20,50	6,50,04	8,20,12	7,34,90	10,86,14	8,89,20	8,85,10
(i) Dividend to General Revenues	6,65,32	7,09,49	7,31,52	8,28,82	9,13,44	10,69,37	11,06,29	12,10,44
(ii) Share of payment to General Revenues in lieu of tax on railway passenger fares	.	..	..	2,11,62	1,98,50	2,06,79	1,89,02	1,85,85
Profit (+) and loss (—) for the year	—2,83,40	—1,88,99	—81,48	—2,20,32	—3,77,04	—1,90,02	—4,06,11	—5,11,19
*Include receipts of Worked Lines	27,38	26,08	33,14	32,25	31,29	28,85	30,70	30,70

A sizeable Net Revenue, before making payments to General Revenues is expected in 1963-64 and 1964-65 (nearly Rs. 9 crores).

APPENDIX XI—*contd.*

SOUTH EASTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1958-59	Actuals, 1959-60	Actuals, 1960-61	Actuals, 1961-62	Actuals, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
Traffic Earnings—								
(*a*) Coaching—								
(*i*) Passengers—								
Upper	1,29,71	1,35,54	1,26,99	1,61,90	1,81,20	1,87,50	1,93,50	2,01,90
Third	7,46,57	7,99,71	7,60,67	8,86,18	10,63,88	10,87,90	11,48,20	12,00,20
(*ii*) Other Coaching	2,65,92	3,17,74	3,20,28	3,08,76	3,55,04	3,61,70	3,45,90	3,83,40
(*b*) Goods	38,66,38	44,44,05	52,22,19	58,39,57	69,43,99	76,22,00	81,51,80	92,50,60
(*c*) Sundry Other Earnings	1,05,16	1,40,53	1,43,82	1,38,93	1,59,52	1,41,50	1,32,00	1,47,40
TOTAL	51,13,74	58,37,57	65,73,95	73,35,34	87,03,63	94,00,60	99,71,40	111,83,50
Suspense	—1,00,19	—3,02	34,74	—34,26	22,10	—70,00	—50,00	—57,40
Gross Traffic Receipts	50,13,55	58,34,55	66,08,69	73,01,08	87,25,73	93,30,60	99,21,40	111,26,10
Working Expenses—								
Ordinary Working Expenses—								
(*i*) Administration	4,29,16	4,40,98	4,72,43	4,79,12	5,29,61	5,70,60	5,66,91	6,05,91
(*ii*) Repairs and Maintenance	10,61,76	10,55,89	11,28,23	11,79,76	14,96,96	15,21,55	17,43,14	19,24,43
(*iii*) Operating Staff	5,95,30	6,13,45	6,65,10	6,94,29	7,96,16	8,61,82	8,84,48	9,54,89
(*iv*) Operation (Fuel)	4,73,97	5,65,78	6,69,32	7,20,13	8,19,87	9,46,19	10,00,44	10,79,89
(*v*) Operation other than Staff and Fuel	1,95,78	2,34,07	2,75,56	2,81,42	2,62,02	2,99,56	2,75,88	3,04,09
(*vi*) Miscellaneous Expenses	2,11,40	2,19,34	2,64,72	2,86,74	3,13,16	2,78,93	3,22,01	2,79,22
(*vii*) Labour Welfare	1,09,07	1,13,91	1,30,84	1,34,47	1,56,26	1,84,31	1,88,58	2,30,47
TOTAL	30,76,44	32,43,42	36,06,20	37,76,03	43,74,04	46,62,96	49,81,44	53,78,90
Suspense	—13,12	—50,54	—19,11	—12,61	43,90	—7,99	—10,51	—9,87
TOTAL—ORDINARY WORKING EXPENSES	30,63,32	31,92,88	35,87,09	37,63,42	44,17,94	46,54,97	49,70,93	53,69,03

Appropriation to Depreciation Reserve Fund	5,65,14	6,18,98	6,41,00	9,53,02	10,86,57	14,04,29	13,98,08	15,25,59
Appropriation to Pension Fund	..	..	..	..	..	..	..	2,13,06
TOTAL—WORKING EXPENSES	36,28,46	38,11,86	42,28,09	47,16,44	55,04,51	60,59,26	63,69,01	71,07,68
Net Traffic Receipts	13,85,09	20,22,69	23,80,60	25,84,64	32,21,22	32,71,34	35,52,39	40,18,42
Miscellaneous Transactions—								
(*a*) Receipts—								
(*i*) Other receipts from subsidised companies	..	..	..	..	..	..	..	..
(*ii*) Other Miscellaneous Receipts	18,03	4,72	33,28	37,78	11,03	2,60	3,05	25
TOTAL RECEIPTS	18,03	4,72	33,28	37,78	11,03	2,60	3,05	25
(*b*) Expenditure—								
(*i*) Land	..	..	..	..	..	..	..	..
(*ii*) Surveys	6,39	9,60	—1,81	—1,81	—6,85	23,67	12,57	9,66
(*iii*) Open Line Works—Revenue	1,13,62	1,34,15	1,14,62	69,68	91,90	1,64,82	1,64,82	1,75,33
TOTAL EXPENDITURE	1,20,01	1,43,75	1,12,81	67,87	98,75	1,88,49	1,77,39	1,84,99
Net Miscellaneous Receipts	—1,01,98	—1,39,03	—79,53	—30,09	—87,72	—1,85,89	—1,74,34	—1,84,74
Net Revenue	12,83,11	18,83,66	23,01,07	25,54,55	31,33,50	30,85,45	33,78,05	38,33,68
(*i*) Dividend to General Revenues	6,00,77	6,86,51	7,37,63	8,52,40	9,85,58	11,63,36	13,71,83	14,11,04
(*ii*) Share of payment to General Revenues in lieu of tax on railway passenger fares	..	..	..	86,83	91,99	92,42	93,17	95,25
Profit(+) and Loss (—) for the year	6,82,34	11,97,15	15,63,44	16,15,32	20,55,93	18,29,67	19,13,05	23,27,39

APPENDIX XI—*concld*

WESTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1958-59	Actuals, 1959-60	Actuals, 1960-61	Actuals, 1961-62	Actuals 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
Traffic Earnings—								
(a) Coaching—								
(*i*) Passenger:—								
Upper	2,33,61	2,58,25	2,57,09	3,00,49	3,44,69	3,56,90	3,49,70	3,54,70
Third	18,00,50	18,97,77	19,75,64	22,27,80	24,81,92	25,63,10	26,37,40	26,74,30
(*ii*) Other Coaching	2,93,23	3,32,17	3,62,05	4,09,93	4,10,87	4,30,10	4,30,10	4,24,00
(*b*) Goods	40,41,68	43,79,21	47,82,64	50,64,86	55,03,38	62,47,20	60,31,20	65,6840
(*c*) Sundry Other Earnings	1,18,53	1,72,35	1,66,79	2,03,02	2,36,75	2,18,90	2,15,20	2,25,10
TOTAL	64,87,55	70,39,75	75,44,21	82,061,10	89,77,61	98,16,20	96,63,60	102,46,50
Suspense	50,84	—9,64	—29,19	—10,00	84	..	..	..
Gross Traffic Receipts	65,38,39	70,30,11	75,15,02	81,96,10	89,78,45	98,16,20	96,63,60	102,46,50
Working Expenses—								
Ordinary Working Expenses—								
(*i*) Administration	4,71,36	4,68,72	5,05,51	4,99,81	5,43,72	5,56,65	5,62,75	6,06,91
(*ii*) Repairs and Maintenance	13,69,51	14,84,20	15,53,58	16,32,56	18,43,12	18,58,84	19,55,78	21,37,01
(*iii*) Operating Staff	8,34,57	8,87,94	9,65,09	9,94,95	10,98,49	11,27,70	11,48,76	12,14,01
(*iv*) Operation (Fuel)	8,65,64	9,96,74	11,24,93	11,93,30	14,09,95	13,79,29	14,63,50	15,54,46
(*v*) Operation other than Staff and Fuel	3,00,43	3,30,59	2,76,69	3,05,72	3,68,33	3,35,53	3,52,73	3,74,37
(*vi*) Miscellaneous Expenses	2,37,39	2,50,47	2,99,61	3,37,52	3,57,40	3,21,52	3,47,03	3,03,78
(*vii*) Labour Welfare	1,03,80	1,11,01	1,31,01	1,43,05	1,75,99	2,00,79	2,02,82	2,27,26
TOTAL	41,82,70	45,29,67	48,56,42	51,06,91	57,97,00	57,80,32	60,33,37	64,17,80
Suspense	—59,57	—56,52	—30,98	—7,89	18,68	—6,31	—10,70	—16,87
TOTAL—ORDINARY WORKING EXPENSES	41,23,13	44,73,15	48,25,44	50,99,02	58,15,68	57,74,01	60,22,67	64,00,93

Appropriation to Depreciation Reserve Fund	6,23,50	6,39,12	6,23,31	8,95,20	8,56,21	9,76,33	9,92,98	9,89,68
Appropriation to Pension Fund	..	..	..	..	..	..	..	2,67,10
Payments to Worked Lines.								
(i) Net earnings	..	..	..	..	..	..	..	..
(ii) Rebate, etc.	..	..	..	..	..	..	..	..
TOTAL—WORKING EXPENSES	47,46,63	51,12,27	54,48,75	59,94,22	66,71,89	67,50,34	70,15,65	76,57,71
Net Traffic Receipts	17,91,76	19,17,84	20,66,27	22,01,88	23,06,56	30,65,86	26,47,95	25,88,79
Miscellaneous Transaction—								
(a) Receipts—								
(i) Other receipts from subsidised companies	..	..	..	..	..	..	..	..
(ii) Other Miscellaneous Receipts	54,03	14,57	42,25	26,70	5,14	30	1,95	12
TOTAL—RECEIPTS	54,03	14,57	42,25	26,70	5,14	30	1,95	12
(b) Expenditure—								
(i) Land	..	..	..	..	..	..	..	..
(ii) Surveys	57	16,40	1,43	1,21	77	13	88	..
(iii) Open Line Works—Revenue	2,06,71	2,02,01	1,78,71	1,63,61	2,10,80	2,03,11	2,08,80	2,67,55
TOTAL—EXPENDITURE	2,07,28	2,08,41	1,80,14	1,64,82	2,11,57	2,03,24	2,09,68	2,67,55
Net Miscellaneous Receipts	—1,53,25	—1,93,84	—1,37,89	—1,38,12	—2,06,43	—2,02,94	—2,07,73	—2,67,43
Net Revenue	16,38,51	17,24,00	19,28,38	20,63,76	21,00,13	28,62,92	24,40,22	23,21,36
(i) Dividend to General Revenues	6,65,44	7,39,62	7,32,86	8,27,13	8,82,75	9,77,72	10,26,70	10,74,87
(ii) Share of payment to General Revenues in lieu of tax on railway passenger fares	..	..	..	2,09,46	2,08,84	2,11,60	2,07,30	2,05,78
(—) for the year	9,73,07	9,84,38	11,95,52	10,27,17	10,08,54	16,73,60	12,06,22	10,40,71

APPENDIX XIII

Balance Sheet of Indian Railways

(Figures in lakhs of rupees)

Particulars	As on 31-3-1962	As on 31-3-1963
LIABILITIES		
1. (*a*) Investments financed from:—		
(*i*) Loan Capital (advanced by General Exchequer)	1682,98	1896,81
(*ii*) Depreciation Reserve Fund	104,17	119,04
(*iii*) Development Fund	170,77	193,75
(*iv*) Revenue	94,42	105,01
(*b*) Machinery and Equipment received free of cost	3,43	3,94
(*c*) Total	2055,77	2318,55
2. Railway Reserve Funds:—		
(*i*) Depreciation Reserve Fund	29,19	22,84
(*ii*) Revenue Reserve Fund	55,37	57,39
(*iii*) Development Fund	10,49	*29,68
(*iv*) Total	95,05	109,91
3. Banking Account :—		
(*i*) Provident Funds	193,82	216,08
(*ii*) Miscellaneous Deposits, etc.	62,20	63,03
(*iii*) TOTAL	256,02	279,11
4. Demands payable (i.e., liabilities remaining undischarged at the end of the year)	15,33	15,60
5. Net liability arising out of inter-departmental, etc., transactions	20,51	21,67
GRAND TOTAL	2442,68	2744,84
ASSETS		
1. Cash in hand	15,74	15,31
2. Block Assets (contra item 1)	2055,77	2318,55
3. Funds with the Central Government (contra items 2 and 3)	351,07	389,02
. Miscellaneous Advances (sundry debtors) to be recovered or adjusted	7,31	6,95
5. Traffic earnings (yet to be realised at the end of the year)	11,53	12,46
6. Items awaiting adjustment with Civil Departments, State Governments, etc.	1,26	2,55
TOTAL	2442,68	2744,84

*The figure under Development Fund represents the balance remaining in the Fund after appropriation of the Net Revenue Surplus and withdrawal from the Fund during the year.

NOTE:—The Profit and Loss Account (Commercial) for the year 1962-63 appended to the Appropriation Accounts showed profit of 42,37 lakhs. The profit and Loss Account (Strategic) for the same year showed a loss of 31 lakhs, out of which loss of 17 lakhs was met from General Revenues.

The loss of 14 lakhs in working of the portion of the strategic section on the Northeast Frontier Railway opened for traffic during 1962-63 is being recovered from the General Revenues in 1963-64.

APPENDIX XII

DEPRECIATION RESERVE FUND

(Figures in lakhs of rupees)

	Appropriation to Fund	Withdrawals towards renewals and replacements	Net accretion to Fund during the year	Nominal closing balance	Temporary loans to meet deficit	*Actual closing balance
1924-25	10,35	7,29	3,06	3,06	..	3,06
1925-26	10,67	7,99	2,68	5,74	..	5,74
1926-27	10,89	8,05	2,84	8,58	..	8,58
1927-28	11,38	10,95	43	9,01	..	9,01
1928-29	12,00	9,60	2,40	11,41	..	11,41
1929-30	12,59	11,76	83	12,24	..	12,24
1930-31	13,07	11,39	1,68	13,92	..	13,92
1931-32	13,46	8,26	5,20	19,12	4,25	14,87
1932-33	13,77	6,35	7,42	26,54	10,23	12,06
1933-34	13,56	8,07	5,49	32,03	7,96	9,59
1934-35	13,72	8,66	5,06	37,09	5,06	9,59
1935-36	13,26	9,16	4,10	41,19	4,00	9,69
1936-37	13,17	7,88	5,29	46,48	—1,21	16,19
1937-38	12,59	(*aa*) 7,69	4,90	(*ab*) 49,90	..	(*ab*)19,61
1938-39	12,56	7,08	5,48	55,38	..	25,09
1939-40	12,59	6,53	6,06	61,44	..	31,15
1940-41	12,64	7,19	5,45	66,89	..	36,60
1941-42	12,68	5,35	7,33	74,22	—7,91	51,84
1942-43	(*ac*) 12,80	4,95	7,85	82,07	(*ad*)—22,38	82,07
1943-44	16,87	6,64	10,23	92,30	..	92,30
1944-45	17,01	8,18	8,83	102,21	..	(af)102,21
1945-46	(*ae*) 17,25	12,01	5,24	107,45	..	207,45
1946-47	31,21	12,37	84	108,29	..	108,29
1947-48 (1-4-47 to 14-8-1947)	6,86	2,66	4,20	112,49	..	(*ag*)112,49
(15-8-47 to 31-3-1948)	6,81	3,27	3,54	95,74	..	(*ah*)95,74
1948-49	(*ai*) 23,11	17,28	5,83	101,57	..	101,57
1949-50	19,17	11,73	7,44	109,01	..	109,01

APPENDIX XIII—*contd.*

DEPRECIATION RESERVE FUND

(Figures in lakhs of rupees)

	Appropriation to Fund	Withdrawals towards renewals and replacements	Net accretion to Fund during the year	Nominal closing balance	Temporary loans to meet deficit	*Actual closing balance
1950-51	33,59	26,63	6,96	123,65	..	(*aj*)123,65‡
1951-52	(*ak*) 33,79	35,87	—2,08	122,02	..	(*al*) 122,02‡
1952-53	(*am*) 34,42	40,89	—6,47	116,36	..	(*an*)116,36‡
1953-54	(*ao*) 33,97	38,02	—4,05	112,79	..	(*ap*)112,79‡
1954-55	(*aq*) 33,72	45,82	—12,10	110,69	..	100,69‡
1955-56	(*ar*) 48,67	45,89	2,78	103,47	..	130,47†
1956-57	(*as*) 48,90	43,68	5,22	103,14	..	(*at*)103,14‡
1957-58	(*au*) 49,38	63,62	—14,24	88,89	..	(*av*) 88,89‡
1958-59	(*aw*) 48,40	80,72	—32,32	56,70	..	(*ax*) 56,70‡
1959-60	(*ay*) 47,96	68,36	—20,40	37,30	..	(*az*) 37,30‡
1960-61	(*ba*) 46,64	64,04	—17,40	19,79	..	(*bb*) 19,79‡
1961-62	(*bc*) 67,63	58,23	9,40	29,19	..	2919‡
1962-63	(*bd*) 69,02	75,37	—6,35	22 84	..	22,84‡
1963-64 . . . (Revised Estimate)	(*be*) 82,61	70,50	12,11	12 11	..	34,95†
1964-65 . . . . (Budget Estimate)	(*bf*) 85,70	71,00	14,70	14,70	..	49,65‡

*The closing balances from 1933-34 to 1941-42 include Rs. 9 lakhs on account of loans to Branch Line Companies and those from 1937-38 to 1941-42 also include Rs. 31 lakhs on account of Investments in Branch Line Shares. In 1942-43 these amounts were transferred to the Railway Reserve Fund Investment Account.

(*aa*) Includes 32 lakhs written off capital on account of abandoned assets.
(*ab*) Excludes 1,48 lakhs balance for Burma Railway.
(*ac*) Includes 23 lakhs transferred from Bengal and North Western and Rohilkund and Kumaon Railway's Renewal suspense.
(*ad*) Includes 6,30 lakhs transferred from the Railway Reserve Fund.
(*ae*) Includes 20 lakhs recovered from the Bengal and North Western Company on account of over-age rolling stock.
(*af*) Includes 1,08 lakhs transferred from Renewal Reserve Fund for permanent way and rolling stock of the Bengal Nagpur, Madras and Southern Mahratta and South Indian Railways.
(*ag*) Includes 20,30 lakhs, the estimated balance relating to Pakistan Railways.
(*ah*) Excludes 20,80 lakhs, the estimated share less 1·19 lakhs on account of abandoned assets relating to Pakistan Railways.
(*ai*) Includes 11,80 lakhs appropriated from the surplus.
(*aj*) Includes 7,67 lakhs (Provisional) on account of Indian States Railways' balances taken over from 1-4-1950. Difference of 1 is due to rounding.

(*ak*) Includes 3,58 lakhs on account of interest on the balance and 21 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(*al*) Includes 45 lakhs (Provisional) on account of revision of the ex-Indian States Railways balances taken over from 1-4-1950.

(*am*) Includes 4,09 lakhs on account of interest on the balance and 33 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(*an*) Includes 81 lakhs on account of revision of the ex-Indian States Railways balances taken over from 1-4-1950.

(*ao*) Includes 3,61 lakhs on account of interest on balance and 36 lakhs on accoun of contribution relating to Chittaranjan Locomotive Works.

(*ap*) Includes 48 lakhs on account of revision of the ex-Indian States Railways balance taken over from 1-4-1950.

(*aq*) Includes 3,35 lakhs on account of interest on balance and 37 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(*ar*) Includes 3,26 lakhs on account of interest on balance and 41 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(*as*) Includes 3,27 lakhs on account of interest on balance and 63 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(*at*) Excludes 2,76 lakhs on account of difference between *ad hoc* and revised balances on 15-8-47 and 1,62 lakhs due to downward adjustment of D.R.F. balance of ex-Mysore State Rly. taken over on 1-4-1950 and 1,17 lakhs interest thereon.

(*au*) Includes 3,15 lakhs on account of interest on balance and 1,23 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(*av*) Excludes 1 lakh on account of difference between the *ad hoc* balance and further revised balance as on 15-8-1947.

(*aw*) Includes 2,53 lakhs on account of interest on balance and 8 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(*ax*) Includes 13 lakhs on account of difference between the *ad hoc* and revised balance on 15-8-47.

(*ay*) Includes 2,11 lakhs on account of interest on balance and 85 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(*az*) Includes 5 lakhs on account of revision of ex-States Railways balances relating to Ex-G.B.S. Railway, 97 lakhs due to revision of pre-partition balances on Central Railway and excludes 2 lakhs on account of expenditure met from Development Fund transferred to Depreciation Reserve Fund.

(*ba*) Includes 85 lakhs on account of interest on balance and 79 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(*bb*) Excludes 30 lakhs on account of difference between *ad hoc* and revised balance on 15-8-47 on Western Railway and includes 19 lakhs on account of expenditure from 1-4-55 to 31-3-60 incurred on quarters for class III and IV staff forming part of scheme transferred to Development Fund on Central, Northeast Frontier and Southern Railways.

(*bc*) Includes 86 lakhs on account of interest on balance and 1,77 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(*bd*) Includes 93 lakhs on account of interest on balance and 1,09 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(*be*) Includes 1,06 lakhs on account of interest on balance and 1,55 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(*bf*) Includes 1,59 lakhs on account of interest on balance and 1,11 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

‡These figures are provisional as the balances of the ex-States Railways merged therein have not yet been finalised.

APPENDIX XIV

REVENUE RESERVE FUND

(Figures in lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund during the year	*Closing balance
1924-25	6,38	(*aa*) 38	6,00	6,00
1925-26	3,79	..	3,79	9,79
1926-27	1,49	..	1,49	11,28
1927-28	4,57	..	4,57	15,85
1928-29	2,58	..	2,58	18,43
1929-30	..	2,08	—2,08	16,35
1930-31	..	10,93	—10,93	5,42
1931-32	..	4,95	—4,95	47
1932-33	..	..	..	47
1933-34	..	..	..	47
1934-35	..	..	..	47
1935-36	..	..	..	47
1936-37	..	..	..	47
1937-38	(*ab*)1	..	1	48
1938-39	..	..	..	48
1939-40	..	..	..	48
1940-41	(*ac*) 6,31	90	5,41	5,89
1941-42	..	—90	90	6,79
1942-43	8,86	(*ad*)6,30	2,56	9,35
1943-44	13,20	..	13,20	22,55
1944-45	17,89	2,96	14,93	37,48
1945-46	6,20	5,55	65	38,13
1946-47	(*ab*)13	(*ae*) 15,25	—15,12	(*af*) 23,02
1947-48 (1-4-47 to 14-8-47)	..	(*ag*)13,60	—13,60	9,42
(15-8-47 to 31-3-48)	..	(*ah*) 2,58	—2,58	6,84
1948-49	(*ai*)3	5	—2	6,82
1949-50	..	..		6,82

APPENDIX XIV—*concld*

REVENUE RESERVE FUND

(Figures in lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund during the year	*Closing balance
1950-51	5,40	—1	5,41	(*aj*) 13,58‡
1951-52	(*ak*) 19,12	—18	19,30	(*al*) 33,72‡
1952-53	(*am*) 2,26	—4	2,30	(*an*) 36,05‡
1953-54	1,13	..	1,13	37,18‡
1954-55	1,18	..	1,18	38,36‡
1955-56	(*ao*) 8,51	—2	8,53	46,89‡
1956-57	1,52	..	1,52	(*ap*) 48,07‡
1957-58	1,61	..	1,61	49,68‡
1958-59	(*au*) 1,09	..	1,09	(*aq*) 49,37‡
1959-60	1,90	..	1,90	(*ar*) 51,60‡
1960-61	1,84	..	1,84	53,44‡
1961-62	1,93	..	1,93	55,37‡
1962-63	2,02	..	2,02	57,39‡
1963-64 (Revised Estimate)	2,16	..	2,16	59,55‡
1964-65 (Budget Estimate)	2,27	..	2,27	61,82‡

*The closing balances include 47 lakhs from 1925-26 to 1936-37, 48 lakhs from 1937-38 to 1939-40, 43 lakhs from 1940-41 to 1941-42, 83 lakhs from 1942-43 to 1943-44, 90 lakhs in 1944-45, 83 lakhs in 1945-46, 62 lakhs in 1946-47, 26 lakhs from 1947-48 to 1950-51, 28 lakhs in 1951-52, 40 lakhs in 1952-53, 46 lakhs in 1953-54, 50 lakhs in 1954-55, 51 lakhs in 1955-56, 57 lakhs in 1956-57, 48 lakhs in 1957-58 to 1959-60, 44 lakhs in 1960-61 and 37 lakhs in 1961-62 to 1963-64 on account of investments in shares of and loans to branch line companies.

(*aa*) Represents amuont utilised to write down the difference between the book values and the current market price of stores.

(*ab*) Includes Rs. 1 lakh profit realised on investment in branch line shares cancelled.

(*ac*)l Includes Rs 1 lakh profit realisad on cancellation of investments in branch line shares.

(*ad*) Transferred to Depreciation Reserve Fund.

(*ae*) Includes Rs. 12 crores transferred to Betterment Fund (now Development Fund).

(*af*) Difference of 1 is due to rounding.

(*ag*) To meet Railway deficit.

(*ah*) To meet Railway deficit.

(*ai*) Represents profit accrued on account of cancellation of investments in branch line share.

(*aj*) Includes 1,35 lakhs (Provisional on account of ex-Indian States Railways' balances taken over from 1-4-1950.

(*ak*) Includes 18,34 lakhs on account of appropriation from surplus.

(*al*) Includes 84 lakhs (Provisional) on account of revision of the Indian States Railways' balances taken over from 1-4-1950.

(*am*) Includes 1,19 lakhs on account of appropriation from surplus.

(*an*) Includes 3 lakhs (Provisional) on account of revision of the ex-Indian States Railways balances taken over on 1-4-1950.

(*ao*) Includes 7,14 lakhs on account of appropriation from surplus.

(*ap*) Excludes 7 lakhs on account of difference between *ad hoc* and revised balances on 15-8-1947 and 21 lakhs representing 25 per cent share of the balance in respect of ex-Scindia State Rly. taken over on 1-4-50 and 6 lakhs interest thereon.

(*au*) Excludes refuud of 55 lakhs interest to A.G.C.R. on reduction of pre-partition balance *vide* note (*ap*).

(*aq*) Excludes 1,40 lakhs on cccount of reduction in pre-partition balances on 15-8-1947.

(*ar*) Includes 33 lakhs on account of revision of State Railway balances of ex.-G.B.S. Railway.

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‡These figures are provisional as the balances of the ex-State Railways merged therein have not yet been finalised.

APPENDIX XV

APPENDIX XV

DEVELOPMENT FUND

(Figures in lakhs of rupees)

Year	Appropriation to Fund from			Withdrawal from Fund for				Net accretion to Fund during the year	Closing Balance
	Surplus and interest on balance	Loans from Genaral Revenues	Total	Works	Repay-ment of loans	Interest on loans	Total		
1946-47	(*aa*) 15,24	..	15,24	(*ad*) 41	..	..	41	14,83	14,83
1947-48 (1-4-47 to 14-8-47)	(*ab*) 18	..	18	(*ae*) 34	..	..	34	—16	14,67
1947-48 (15-8-47 to 31-3-48)	(*ab*) 30	..	30	59	..	..	59	—29	14,38
1948-49	(*ac*) 1,27	..	1,27	2,33	..	..	2,33	—1,06	13,32
1949-50	(*ab*) 43	..	43	—5	..	..	—5	48	13,80
1950-51	10,52	..	10,52	5,35	..	..	5,35	5,17	(*af*) 19,44
1951-52	(*ag*) 10,65	..	10,65	7,70	..	..	7,70	2,95	(*ah*) 22,48
1952-53	(*ai*) 12,76	..	12,76	8,10	..	..	8,10	4,66	27,14
1953-54	(*aj*) 3,29	..	3,29	9,81	..	..	9,81	—6,52	20,62
1954-55	(*ak* 9,70	..	9,70	12,78	..	..	12,78	—3,08	17,42
1955-56	(*al*) 7,57	..	7,57	12,14	..	..	12,14	—4,57	12,97
1956-57	(*am* 20,65	..	20,65	19,84	..	..	19,84	*p*81	(*an*) 13,75
1957-58	(*ao*) 13,63	..	13,63	25,53	..	..	25,53	—11,90	1,85
1958-59	(*ap*) 8,13	10,98	19,11	27,87	..	19	28,06	—8,95	(*aq*) —1,69
1959-60	(*ar*) 20,27	14,85	35,12	24,89	..	65*p*	25,54	9,58	(*as*) 8,91
1960-61	(*at*) 32,49	3,58	36,07	23,32	..	98	24,30	11,77	(*au*) 19,13
1961-62	(*av*) 25,32	..	25,23	21,14	29,40	53	51,07	—25,84	(*aw*) 10,49
1962-63	(*ax*) 2,76	..	42,76	23,17	..	..	23,17	19,59	(*ay*) 29,68
1963-64 (Revised Estimate)	(*az*) 39,10	..	39,10	29,75	..	..	29,75	9,35	(*ba*) 41,37
1964-65 (Budget Estimate)	(*bb*) 32,41	..	32,41	33,00	..	..	33,00	—59	40,78

(*aa*) This is made up of 12 crores transferred from Railway Reserve Fund, 3 crores from the Railway surplus for 1946-47 and 24 lakhs interest on balance.
(*ab*) Represents only interest on balance.
(*ac*) Includes 43 lakhs on account of interest on balance.
(*ad*) Includes 5 lakhs for B.A. & N.W. Railways.
(*ae*) Includes 5 lakhs for B.A. & N.W. Railways.
(*af*) Includes 47 lakhs (Provisional) on account of Indian States Railway's balances taken over from 1-4-1950.
(*ag*) Includes 65 lakhs on account of interest on balance.
(*ah*) Includes 9 lakhs (Provisional) on account of revision of the Indian States Railways' balances taken over from 1-4-1950.

(*ai*) Includes 76 lakhs on account of interest on balance.

(*aj*) Includes 73 lakhs on account of interest on balance.

(*ak*) Includes 60 lakhs on account of interest on balance.

(*al*) Includes 49 lakhs on account of interest on balance.

(*am*) Includes 43 lakhs on account of interest on balance.

(*an*) Excludes 2 lakhs on account of difference between *ad hoc* and revised balances on 15-8-57 and 1 lakh interest thereon

(*ao*) Includes 25 lakhs on account of interest on balance.

(*ap*) Includes 8 lakhs on account of interest on balance and 88 lakhs on account of interest refunded to A.G.C.R. on reduction of pre-partition balances *vide* note (*aq*).

(*aq*) Excludes 2,20 lakhs due to reduction in pre-partition balances on 15-8-1947 and includes 7,61 lakhs due to transfer of the cost of Deesa-Gandhidham and Chuhnar-Robertsganj lines to Capital.

(*ar*) Includes 15 lakhs on account of interest on balance.

(*as*) Includes 1,02 lakhs due to the transfer of the cost of certain wagon shops at Kotah and Mahalakshmi and of Adipur Bhuj Conversion of Western Railway to Capital.

(*at*) Includes 48 lakhs on account of interest on balance.

(*au*) Includes 3,32 lakhs due to transfer of the cost of the new line Utraitia-Sultanpur-Zafarabad and Pathankot-Madhopur on Northern Railway to Capital, to the extent of their remunerativeness according to assessment made on the basis of actuals, 1 lakh due to transfer of expenditure on Howrah Car shed to Capital and also covers 488 lakhs due to transfer from Capital and Depreciation Reserve Fund to Development fund of the expenditure from 1-4-55 to 31-3-60 relating to quarters forming part of a scheme for Class III and IV taff.

(*av*) Includes 84 lakhs on account of interest on balance.

(*aw*) Includes 16,81 lakhs due to *ad hoc* transfer of the cost of the new lines under construction on 1-4 1955 *viz.*, Khandwa-Hingoli on Central Railway & Quilon-Ernakulam on Southern Railway to Capital, as per the accepted recommendation of the Railway Convention Committee, 1960 ; 39 lakhs due to erroneous transfer of the cost of the Works Bhagalpur-Mandar Hill restoration to Capital on Eastern Railway and 9 lakhs relating to conversion of Adipur-Bhuj on Western Railway, and excludes 9 lakhs on account of write back of erroneous adjustments relating to quarters for Class III and IV staff forming part of a scheme to Capital and D.R.F.

(*ax*) Includes 70 lakhs on account of interest on balances.

(*ay*) Includes 11 lakhs due to transfer to Capital of the cost of the new line Bobbili-Salur on Southeastern Railway as it has since been assessed to be remunerative and excludes 48 lakhs due to write back from Capital of the erroneous adjustments made in 1961-62 relating to the Works "Restoration of Bhagalpur-Mandar Hill" on Eastern Railway and conversion of "Adipur-Bhuj" on Western Railway and also cover 3 lakhs due to write back of expenditure on the Works—"Providing Crossing station at Kargada' and doubling of the section 'Godhra-Ratlam fromCapital on Western Railway.

(*az*) Includes 1,35 lakhs on account of interest on balance.

(*ba*) Includes 2,34 lakhs due to proposed transfer to Capital of the cost of certain works now assessed to be remunerative justifying their charge to Capital.

(*bb*) Includes 1,54 lakhs on account of interest on balances.

£These figures from 1950-51 are provisional, as the balances of the ex-States Railways merged therein have not yet been finalised.

APPENDIX XVI

RAILWAY PENSION FUND

(Figures in lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund towards payment of pensionary charges	Net Accretion to Fund during the year	Closing balance
1964-65 . . .	(aa) 19,59	4,00	15,59	15,59

(aa) Includes 29 lakhs on account of interest on the balance and 30 lakhs on account of contribution from the manufacturing units.

The Railway Pension Fund is being set up from 1964-65 in consultation with the Comptroller and Auditor General of India and the Ministry of Finance to even out the fluctuating burden of pension payments over the year that will otherwise arise.

APPENDIX XVII

List of new surveys undertaken during 1963-64

Central Railway:

1. Preliminary-*cum*-Final Location Survey for doubling between Budni and Hoshangabad on Itarsi-Bhopal Section.
2. Traffic Survey—Thana-Kurla-Trombay and Poona-Lonavla industrial area.

Northern Railway:

Preliminary Engineering-*cum*-Traffic Survey for a new line between Daurala-Mawana-Hastinapur.

Southern Railway:

Traffic Survey for a line from Tirunelveli-Nagarcoil-Trivandrum with a branch to Cape Comorin.

List of Surveys proposed to be undertaken during 1964-65

Central Railway:

1. Preliminary-*cum*-Final Location Survey for doubling the line between Chichonda and Teegaon on Itarsi-Nagpur Section.
2. Preliminary-*cum*-Final Location Survey for doubling the remaining single line section on Bina-Katni Section.
3. Preliminary-*cum*-Final Location Survey for doubling the line between Balharsha and Chanda.
4. Preliminary-*cum*-Final Location Survey for doubling the track on Bagratawa-Viaduct and tunnel between Gurra and Bagratawa on Itarsi-Jabalpur Section.
5. Preliminary-*cum*-Final Location Survey for patch doubling on Bina and Agra Section.

Southern Railway:

Preliminary-*cum*-Final Location Survey for doubling between Gudur and Gummidipundi on Madras-Gudur Section.

APPENDIX XVIII

Statement showing the existing and the proposed basic rates per tonne exclusive of Supplementary charge) for coal, coal shale, coke,lignite and patent fuel.

(*Para 22 of Explanatory Memorandum*)

Distance in kilometres.	Basic rate per tonne (exclusive of Supplementary charge)		Distance in kilometres.	Basic rate per tonne (exclusive of Supplementary charge)	
	Existing	Proposed		Existing	Proposed
	Rs.	Rs.		Rs.	Rs.
There is no change in the basic rate up to 500 kilometres.					
500	15·58	15·58	1500	27·57	29·07
550	16·26	16·36	1550	28·06	29·71
600	17·11	17·31	1600	28·43	30·18
650	17·79	18·10	1650	28·74	30·60
700	18·47	18·87	1700	29·11	31·11
750	19·02	19·47	1750	29·66	31·81
800	19·70	20·20	1800	29·97	32·22
850	20·38	20·91	1850	30·34	32·72
900	21·12	21·67	1900	30·64	33·14
950	21·61	22·23	1950	31·08	33·69
1000	22·35	23·05	2000	31·57	34·32
1050	23·02	23·78	2050	31·87	34·77
1100	23·58	24·38	2100	32·31	35·31
1150	24·25	25·10	2150	32·61	35·61
1200	24·93	25·83	2200	32·98	35·98
1250	25·42	26·38	2250	33·29	36·29
1300	25·84	26·84	2300	33·84	36·84
1350	26·34	27·49	2350	34·21	37·21
1400	26·65	27·90	2400	34·33	37·33
1450	27·20	28·60			

GOVERNMENT OF INDIA

BUDGET

OF THE

Railway Revenue and Expenditure of the Central Government for 1964-65

MINISTRY OF RAILWAYS,
Dated, the 11th February, 1964

S. JAGANNATHAN,
Financial Commissioner for Railways.

114 M of Fin.—10

1.—Statement of the Revenue of the Central Government from Railways.

(In thousands of rupees)

HEADS OF REVENUE	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase(+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65
M—RAILWAYS—REVENUE	Rs.	Rs.	Rs.	Rs.	Rs.
LXIV-A & LXV-A— Indian Railways—					
Revenue Receipts—					
Passenger Earnings—					
Upper	20,36,07	20,04,00	21,55,00	+1,51,00	22,01,00
Third	148,82,47	152,46,00	158,48,00	+6,02,00	161,99,00
Other Coaching Earnings	32,53,63	34,80,00	34,80,00	..	35,00,00
Goods Earnings . .	349,52,34	379,00,00	361,66,00	+12,66,00	432,00,00
Sundry Other Earnings .	16,68,16	14,50,00	16,88,00	+2,38,00	18,00,00
TOTAL—EARNINGS .	567,92,67	600,80,00	623,37,00	+22,57,00	669,00,00
Suspense	—1,13,68	—1,11,00	—1,15,00	+4,00	—1,00,00
£Gross Receipts of Indian Railways . .	566,78,99	599,69,00	622,22,00	+22,53,00	668,00,00
LXIV-B—Other Miscellaneous Receipts—					
Miscellaneous receipts .	93,00	23,71	49,82	+26,11	13,10
LXVI—Subsidised Companies—					
Government share of surplus profits, etc.	2,20	2,36	3 ,45	+1,09	2,61
LXVII—Transfer from Railway Revenue Reserve Fund .	..	..	..	..	..
TOTAL RECEIPTS .	567,74,19	599,95,07	6,22,75,27	+22,80,20	668,15,71
£Includes earnings of worked lines	53,47	51,58	54,43	+2,85	53,77

2.—Statement of the Expenditure on Railways met from the Revenues of the Central Government

(In thousands of rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase(+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65
	Rs.	Rs.	Rs.	Rs.	Rs.
M—RAILWAYS—EXPENDITURE					
83-A & 84—A—Working Expenses . . .	429,37,56	459,03,93	473,33,85	+14,29,92	516,67,83
83-C—Payments to Worked Lines—					
(*i*) Net earnings .	13,86	13,68	14,18	+50	14,14
(*ii*) Rebate, etc. .	55	59	9	—50	16
83-B & 84-B—Other Miscellaneous Expenditure .	3,80,44	3,98,85	3,82,63	—16,22	4,04,48
85.—Payments to General Revenues.—					
(*a*) Dividend to General Revenues . .	68,76,01	80,60,86	82,52,65	+1,91,79	90,73,45
(*b*) Payment to General Revenues in lieu of tax on Railway passenger fares . .	12,50,00	12,50,00	12,50,00	..	12,50,00
86.—Appropriations from Railway Surplus—					
(*i*) Appropriation to Railway Revenue Reserve Fund	..	..	..		..
(*ii*) Appropriation to Railway Development Fund	42,06,50	31,00,42	37,75,42	+6,75,00	30,86,42
(*iii*) Appropriation to Railway Depreciation Reserve Fund	..	..	..		..
87.—Subsidised Companies—Land	..	..	..		..
Subsidy . . .	13,91	16,74	16,74	..	19,23
88.—Open Line Works—Revenue . . .	10,95,36	12,50,00	12,49,71	—29	13,00,00
Total Expenditure .	567,74,19	599,95,07	622,75,27	+22,80,20	668,15,71
*Includes:—					
(i) Appropriation from Revenue to Depreciation Reserve Fund .	67,00,000	80,00,00	80,00,00	67,00,00	83,00,00
(*ii*) Appropriation from Revenue to Railway Pension Fund . .	..	..	..	..	19,00,00

3.—Distribution of Railway Surplus 1963-64 and 1964-65

(In thousands of rupees)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
	Rs.	Rs.	Rs.	Rs.
Surplus	42,06,50	31,00,42	37,75,42	30,8642
Railway Development Fund . .	42,06,50	31,00,42	37,75,42	3,86,42
Railway Revenue Reserve Fund .	..	..	..	..
Railway Depreciation Reserve Fund .	..	..	..	..

4.—Statement of the Capital Expenditure of the Central Government on Railways

(It thousands of rupees)

HEAD OF EXPENDITURE	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase(+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65
	Rs.	Rs.	Rs.	Rs.	Rs.
MM—Capital—					
Railway Capital not met from Revenue—					
131 & 132.—Construction of Railways—					
Open Line Works—					
Rolling Stock . .	88,24,92	93,05,09	88,49,61	—4,55,48	109,95,85
Other works . . .	53,12,56	70,19,86	70,47,11	+27,25	80,02,00
New Construction .	47,88,45	68,94,83	65,43,99	—3,50,84	84,38,54
Suspense . . .	24,62,30	6,18,67	12,16,83	+5,98,16	6,09,60
Miscellaneous . .	1,01,04	2,47,82	67,75	—1,80,07	2,87,88
Probable Savings . .	..	—22,36,27	..	+22,36,27	—30,33,87
TOTAL .	214,89,27	218,50,00	237,24,29	18,75,29	253,00,00

A—RAILWAY DEPRECIATION RESERVE FUND

(In thousands of rupee)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65		Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance . .	29,18,93*	28,33,05	22,84,07	34,94,97	Appropriation from Depreciation Reserve Fund	75,36,88	68,00,00	70,50,00	71,00,00
Appropriation to Depreciation Reserve Fund . .	(a) 68,08,71	(b) 81,05,59	(c) 81,54,80	(d) 84,11,35					
Interest on Depreciation Reserve Fund . .	93,31	1,31,42	1,06,10	1,58,55	Closing Balance . .	22,84,07	42,70,06	34,94,97	49,64,87
TOTAL . . .	98,20,95	110,70,06	105,44,97	120,64,87	TOTAL . .	98,20,95	110,70,06	105,44,97	120,64,87

*Includes 783.93 lakhs (provisional) on account of Indian States Railways taken over from 1-4 1950.

(a) Includes 1,08,71 debitable to Workshop Manufacture Suspense Account Chittaranjan Locomotive Works (78,93) and IntegralCoach Factory29,78

(b) ,, 1,05,59 ,, ,, ,, ,, ,, ,, ,, ,, (72,60) ,, ,, ,, (32,99)

(c) ,, 1,54,80 ,, ,, ,, ,, ,, ,, ,, ,, (71,37) ,, ,, ,, (83,43)

(d) ,, 1,11,35 ,, ,, ,, ,, ,, ,, ,, ,, (74,78) ,, ,, ,, (36,57)

B—RAILWAY REVENUE RESERVE FUND

(In thousands of rupees)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65		Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate 1964-65
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	s.	Rs.
	(a)	(b)	(b)	(b)					
Opening Balance . .	55,36,73*	57,40,20	57,39,20	59,54,67	Appropriation from Railway Revenue Reserve Fund . .	..	..	..	..
Appropriation to Railway Revenue Reserve Fund from Surplus etc. . .	..	..	..	..					
Interest on Railway Revenue Reserve Fund . .	(c) 2,02,47	(d) 2,16,65	(d) 2,15,47	(d) 2,27,69	Closing Balance . .	(b) 57,39,20	(b) 59,56,85	59,54,67	(b) 61,82,36
TOTAL . .	57,39 20	59,56,85	59,54,67	61,82,36	TOTAL . .	57,39,20	59,56,85	59,54,67	61,82,36

*Includes 233·99 lakhs (provisional) on account of Indian States Railways taken over from 1-4-1950.
(a) Includes 36·98 lakhs on account of investment in shares of and loans to Branch Line Companies.
(b) ,, 36·59 ,, ,, ,, ,, ,, ,, ,,
(c) ,, 1·15 lakhs on account of interest and dividends, etc. on investments.
(d) ,, 1·59 ,, ,, ,, ,, ,,

C—RAILWAY DEVELOPMENT FUND

(In thousands of rupees)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65		Accounts. 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance . .	†10,08,74	10,70,92	†32,02,17	41,37,68	Appropriation from Development Fund .	23,16,60	26,00,00	29,75,00	33,00,00
Appropriation to Development Fund from Surplus	42,06,50	31,00,42	37,75,42	30,86,42					
Interest on Development Fund . . .	69,73	49,81	1,35,09	1,53,98	Closing Balance .	29,68,37	16,21,15	41,37,68	40,78,08
TOTAL . .	52,84,97	42,21,15	71,12,68	73,78,08	TOTAL .	52,84,97	42,21,15	71,12,68	73,78,08

†Includes 10·93 lakhs due to the transfer of the cost of new line, "Bobbili-Salur" to Capital as it has been assessed to be remunerative and excludes 48.10 lakhs due to transfer from capital of the erroneous adjustments made in 1961-62 of the cost of Bhagalpur-Mandar Hill" and Adipur-Bhuj 2·63 lakhs due to write back from Caital of the cost of the works providing crossing station of Kargada and Doubling of Godhra-Ratlam on Western Railway and 0·79 lakh due to adjustments in respect of quarters for Class III and IV staff forming part of a Scheme.

†Includes 233·80 lakhs due to transfer to Capital of certain works, which, on the basis of post-budget assessment of financial prospects, indicate the prescribed net return on outlay justifying their charge to capital.

D—RAILWAY PENSION FUND

(In thousands of rupees)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65		Accounts 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
Opening Balance . .	..	..	..	..	Appropriation from Pension Fund . . .	..	..	..	4,00,00
Appropriation to Pension Fund	..	..	..	19,30,00					
Interest in Pension Fund .	..	..	..	29.22	Closing Balance .	..	..	..	15,59,22
TOTAL .	..	..	..	19,59,22	. ..	..	..		19,59,22

The Railway Pension Fund has been created in consultation with the Comptroller and Auditor General of India and the Ministry of Finance with effect from 1-4-1964, with an initial contribution of Rs. 19 drores from Revenue and Rs. 50 lakhs from the Workshop Manufacture Suspense Account of Chittaranjan Locomotive Works Integral Coach Factory and Diesel Locomotive Works in respect of staff of these factories. The withdrawal from the Fund represents the payment of pensionory charges to Railway employees who have retired on the Pension Scheme.

SCHEDULE OF DEMANDS*

(In thousands of rupees)

Number of Demand	Name of Demand	Amount	
		Voted	*Charged*
1	Railway Board	1,09,50	..
2	Miscellanous Expenditure	3,01,52	3,02
3	Payments to Worked Lines and Others . . .	33,53	..
4	Working Expenses—Administration . . .	47,60,44	1,00
5	Working Expenses—Repairs and Maintenance . .	151,58,21	1,00
6	Working Expenses—Operating Staff . . .	92,79,16	1,00
7	Working Expenses—Operation (Fuel) . . .	104,19,59	1,00
8	Working Expenses—Operation other than Staff and Fuel	31,12,02	87,23
9	Working Expenses—Miscellaneous Expenses . .	29,61,25	9,72
10	Working Expenses—Labour Welfare . . .	15,68,09	..
11	Working Expenses—Appropriation to Depreciation Reserve Fund	83,00,00	..
11-A	Working Expenses—Appropriation to Pension Fund .	19,00,00	..
11-B	Withdrawal from Pension Fund	3,99,02	98
12	Payments to General Revenues	103,23,45	..
13	Open Line Works Revenue	12,99,96	4
14	Construction of New Lines	80,84,00	10,18
15	Open Line Works—Additions and Replacements .	489,23,52	9,41
16	Open Line Works—Development Fund . . .	33,00,94	77
17	Repayments of loans from General Revenues and interest there on—Development Fund	..	..
18	Appropriation to Development Fund . . .	30,86,42	..
19	Appropriation to Revenue Reserve Fund . . .	..	..
20	Withdrawal from Revenue Reserve Fund . . .	..	..
	TOTAL . . .	1333,20,62	1,25,35

*Details of the changes in the structure of the Demands for Grants, effective from 1964-65, are indicated on the reverse.

Details of the changes in the structure of the Demands for Grants effective from 1964-65.

1 to 11—No change.

11-A Appropriation to Pension Fund

11-B Withdrawal from Pension Fund

12 to 20—No change.

THE APPROPRIATION (RAILWAYS) BILL, 1964

A

BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1964-65 *for the purposes of Railways.*

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Appropriation (Railways) Act, 1964.

2. **Issue of Rs. 1,334,45,97,000 out of the Consolidated Fund of India for the financial year 1964-65.**—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of one thousand, three hundred and thirty-four crores, forty-five lakhs and ninety-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1964-65, in respect of the services relating to Railways specified in column 2 of the Schedule.

3. **Appropriation.**—The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(See sections 2 and 3)

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board . . .	1,09,50,000	..	1,09,50,000
2	Miscellaneous Expenditure .	3,01,52,000	3,02,000	3,04,54,000
3	Payments to Worked Lines and Others	33,53,000	..	33,53,000
4	Working Expenses—Administration . . .	47,60,44,000	1,00,000	47,61,44,000
5	Working Expenses—Repairs and Maintenance . . .	151,58,21,000	1,00,000	151,59,21,000
6	Working Expenses—Operating Staff . . .	92,79,16,000	1,00,000	92,80,16,000
7	Working Expenses—Operation (Fuel)	104,19,59,000	1.00,000	104,20,59,000
8	Working Expenses—Operation Other than Staff and Fuel .	31,12,02,000	87,23,000	31,99,25,000
9	Working Expenses—Miscellaneous Expenses . . .	29,61,25,000	9,72,000	29,70,97,000
10	Working Expenses—Labour Welfare	15,68,09,000	..	15,68,09,000
11	Working Expenses—Appropriation to Depreciation Reserve Fund	83,00,00,000	..	83,00,00,000
11-A	Working Expenses—Appropriation to Pension Fund . .	19,00,00,000	..	19,00,00,000
11-B	Withdrawal from Pension Fund	3,99,02,000	98,000	4,00,00,000
12	Payments to General Revenues	103,23,45,000	..	103,23,45,000
13	Open Line Works (Revenue) .	12,99,96,000	4,000	13,00,00,000
14	Constructionof New Lines .	80,84,00,000	10,18,000	80,94,18,000
15	Open Line Works—Additions and Replacements . .	489,23,52,000	9,41,000	489,32,93,000
16	Open Line Works—Development Fund . .	33,00,94,000	77,000	33,01,71,000
18	Appropriation to Development Fund . . .	30,86,42,000	..	30,86,42,000
	TOTAL	1,333,20,62,000	1,25,35,000	1,334,45,97,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India, to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund and the grants made by Lok Sabha in respect of the estimated expenditure of the Central Government on Railways, for the financial year 1964-65.

H. C. DASAPPA,

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. 64-B-4017/1, dated the 11th February, 1964 from Shri H. C. Dasappa, Minister of Railways, to the Secretary, Lok Sabha].

The President having been informed of the subject matter of the proposed Appropriation Bill providing for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Fund and grants made by the Parliament for the financial year, 1964-65, recommends under Clauses (1) and (3) of article 117 of the Constitution the introduction in and consideration by the Lok Sabha of the Appropriation Bill.

LOK SABHA

A
BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1964-65 for the purposes of Railways.

(*Shri H. C. Dasappa,*)
(*Minister of Railways.*)

THE APPROPRIATION (RAILWAYS) ACT, 1964

(AS PASSED BY THE HOUSES OF PARLIAMENT)

AN

ACT

to outhorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1964-65 *for the purposes of Railways.*

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title**.—This Act may be called the Appropriation (Railways) Act, 1964.

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3. *Appropriation.*—The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board . . .	1,09,50,000	..	1,09,50,000
2	Miscellaneous Expenditure .	3,01,52,000	3,02,000	3,04,54,000
3	Payments to Worked Lines and Others . . .	33,53,000	..	33,53,00
4	Working Expenses—Administration . . .	47,60,44,000	1,00,000	47,61,44,000
5	Working Expenses—Repairs and Maintenance . . .	151,58,21,000	1,00,000	151,59,21,000
6	Working Expenses—Operating Staff . . .	92,79,16,000	1,00,000	92,80,16,000
7	Working Expenses—Operation (Fuel)	104,19,59,000	1,00,000	104,20,59,000
8	Working Expenses—Operation Other than Staff and Fuel	31,12,02,000	87,23,000	31,99,25,000
9	Working Expenses—Miscellaneous Expenses . .	29,61,25,000	9,72,000	29,70,97,000
10	Working Expenses—Labour Welfare	15,68,09,000	..	15,68,09,000
11	Working Expenses—Appropriation to Depreciation Reserve Fund . .	83,00,00,000	..	83,00,00,000
11-A	Working Expenses—Appropriation to Pension Fund . .	19,00,00,000	..	19,00,00,000
11-B	Withdrawal from Pension Fund	3,99,02,000	98,000	4,00,00,000
12	Payments to General Revenues	103,23,45,000	..	103,23,45,000
13	Open Line Works (Revenue) .	12,99,96,000	4,000	13,00,00,000
14	Construction of New Lines .	80,84,00,000	10,18,000	80,94,18,000
15	Open Line Works—Additions and Replacements . .	489,23,52,000	9,41,000	489,32,93,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
16	Open Line Works—Development Fund . . .	33,00,94,000	77,000	33,01,71,000
18	Appropriation to Development Fund	30,86,42,000	..	30,86,42,000
	TOTAL .	13,33,20,62,000	1,25,35,000	13,34,45,97,000

A

BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1964-65 for the purposes of Railways.

(As passed by the Houses of Parliament)

Budget, 1964-65

Finance Minister's Speech

New Delhi, the 29 February 1964

Mr. Speaker, Sir,

I crave leave of the House to present the Budget for the year 1964-65.

In presenting the Budget of the Central Government for the year ahead, it is customary to start with a review of economic conditions in the year that is drawing to a close and to assess the policies and trends in progress so as to provide a backdrop for the Budget for the year to come. But my task in this respect is lightened by the fact that the year has witnessed a considerable reappraisal and reassessment of policies and performance, as well as a reaffirmation of the basic social values we seek to promote through all our endeavours. Honourable Members would recall that I had made before them a statement on the economic situation only a few weeks ago in December last. The Economic Survey which in the past used to be presented to Parliament along with the Budget papers has also been placed on the Table of the House on this occasion a few days earlier. I shall, therefore, confine myself to those aspects of the economic situation and perspective which are relevant to the proposals which I shall be placing before the House in the latter part of my statement today.

2. By and large, the budgetary outturn for the current year bears testimony to our determination to strengthen our defences without slackening our developmental efforts or without resorting to unbridled deficit financing. The revised estimates for 1963-64 are presented in detail in a separate section of the Explanatory Memorandum which outlines the variations between the budget and the revised estimates same detail in which they were traditionally explained. Accordingly. I do not propose now to dwell at length on the budgetary position for the current year. But it is noteworthy that the overall deficit in the budget which was originally estimated at Rs. 181 crores is now placed at Rs. 135 crores. The improvement of Rs. 46 crores in the overall gap has taken place despite the net increase of Rs. 94 crores in loans and advances to States and of Rs. 27 crores in loans and advances to other parties. The major improvement in revenue is on account of Corporation Tax and Taxes on Income, which together show an increase of Rs. 70 crores, but this would be partly offset by an increase of Rs. 21 crores in the States' share of Income-tax. Customs and Union Excise Duties also show an improvement of nearly Rs. 35 crores.

3. It is a matter for particular satisfaction that collections under Small Savings which amounted to Rs. 73 crores in 1962-63 are now expected to amount to Rs. 115 crores in 1963-64. Other miscellaneous Debt heads are also expected to show an improvement of Rs. 31 crores, but this will be offset by the decline in Emergency Risks Insurance receipts and Compulsory Deposits.

4. A part of the improvement in the budgetary position is also explained by the saving or perhaps shortfall in expenditure of Rs. 27 crores under Revenue and Rs. 64 crores under Capital other than Loans and Advances. Of the saving under Revenue, Rs. 16 crores occur under Defence and the balance under Civil heads. The major shortfalls in Capital expenditure are in respect of Defence, Rs. 43 crores; Hindustan Steel, Rs. 19 crores; Atomic Energy, Rs. 11 crores; and food purchases, Rs. 14 crores. On the other hand, Capital requirements of Railways would show an increase of Rs. 19 crores.

5. Turning to the economic situation, the most disturbing feature is the rise in the price level. While the increase in wholesale prices of the order of 8 per cent occur over the first three years of the current Plan period and this cannot be considered large by any standards, and particularly against the background of the sizable step-up in outlays under defence and development, the fact that the general index of wholesale prices rose by as much as 7.2 per cent between March 1963 and January 1964 is certainly a cause for great concern. Government have already taken several steps to afford relief to the weaker sections of the community. We have, however, in the coming year to apply new measures of discipline, fiscal and others, to arrest this unhealthy trend.

6. Essentially, the rising trend in prices is explained by the inadequate rate of growth in agriculture. After increasing by 1·2 per cent in 1961-62, agricultural production declined by 3·3 per cent next year. Crop prospects for the current agricultural season, which seemed somewhat better to begin with have been adversely affected by the recent severe winter conditions in many parts of the country. The recent increases in the prices of edible items have been causing Government a great deal of concern. The problem is being examined at the highest level and may I add with the greatest care. My colleague, the Minister of Food and Agriculture has had meetings with Chief Ministers and other concerned Ministers in the States and a programme of concerted action is being evolved. While attention has to be given to the regulation of distribution and prices, the main emphasis will have to be on higher production. The experience of intensive agricultural production in certain selected areas through what are known as 'package programmes' has led us to decide that we should concentrate our efforts in about 80 selected districts, or roughly about 1500 development blocks, which hold out promises of quickest results. The impact of these and other measures which the State Governments are taking should I believe be felt on the next Kharif crops. Government also propose to create a special organisation for this purpose in the Food and Agriculture Ministry to be headed by an officer, who has considerable experience in this field. It is also proposed to build up later on, similar specialised agencies for the stimulation of some of the cash crops as well.

7. On the industrial front production trends have been more satisfactory, the increase being 10 per cent over the first nine months of the current year compared to 8·5 per cent in the corresponding period of the previous year. Honourable Members are aware that a number of steps have been taken to stimulate industrial production and a measure of acceleration in the rate of growth over the coming year should now be possible. Even so, it is clear that the preservation of a reasonable degree of stability in the months to come will call for a reduction in the volume of deficit financing in the coming year.

8. In this connection, the overall rate of monetary expansion in the economy will also call for a careful watching. During 1963, money supply with the public increased by Rs. 430 crores or 13·8 per cent as compared to an increase of 9·9 per cent in 1962 and 6·1 per cent in 1961. Government indebtedness to the banking system has been a major factor in monetary expansion in recent years; but bank credit to the private sector has also shown a brisk increase during the current busy season. While the Reserve Bank pursues a fairly liberal policy to help production and while the availability of credit to the farmer is being improved by the Agricultural Credit Department of the Reserve Bank, a close watch has to be kept on the situation so as to ensure that credit creation is kept within reasonable limits and does not encourage speculation or hoarding.

9. Externally, the current year has witnessed a welcome increase in export earnings and a comparatively satisfactory position in regard to foreign exchange reserves. On present indications, export receipts during 1963-64 should exceed Rs. 760 crores and thus show an improvement of at least 7 per cent over the corresponding receipts in 1962-63. Partly as a result of better export performance and partly in view of greater utilisation of external assistance, particularly of the non-project type, our foreign exchange reserves are likely to show a slight improvement over the current year as against a decline of Rs. 2·21 crores in 1962-63 and Rs. 6·30 crores in 1961-62. In addition, we have reduced our indebtedness to the International Monetary Fund by $ 50 million during this year as against an increase in such indebtedness of $ 25 million in 1962-63 and $122·5 million in 1961-62. While it is gratifying that the combined burden of defence and development has not put an intolerable strain on our balance of payments as a result both of our own efforts and the generosity of our friends, our reserves are still far too low for us to be complacent. We cannot afford to relax our efforts to strengthen them.

10. In the ultimate analysis, the three problems of prices, growth and balance of payments on which I have focussed my remarks so far are inter-related and we cannot solve any one of them without the fullest attention to the other two. Indeed, it is only to the extent that all these problems are tackled within the framework of an integrated policy, in regard to incomes, wages and investments that we can hope to ensure that the necessary investment potential is made available for the development of the economy.

11. Treating the problem of growth as an isolated factor and promoting growth by stepping up investment from the sources available within and without the country, without a corresponding policy for the incomes generated in the process, would not only stimulate inflation but also exists besides. Similarly, a price policy which disregards the dynamics of growth, or the impact on investment decisions, cannot but be self-defeating in the same way as a price policy which is not coordinated with a corresponding policy in regard to wages. It is now generally agreed, for example, that trying to keep agricultural prices too low for producers may defeat the objective of raising agricultural production. If this is the case, one cannot, at the same time, try to keep agricultural prices low for all consumers, or adopt a wage policy in which most wage-earners are compensated for the increase in agricultural prices. Nor can one succeed in raising resources for defence or for that matter development by taxation if each such effort leads to price increases which are passed on all along the line. These are, I think, a few lessons which have emerged from our experience, in the recent past, which deserve to be borne in mind in framing budgetary and other policies for the period ahead.

12. As far as investment policy is concerned, there is little doubt that, at the present stage of the economy, it is just as important to make the most efficient use of the investments already completed as it is to step up further the tempo of investment. Often, in the race for making the new starts, sufficient attention is not given to the fullest exploitation of the facilities already created. We cannot at the same time afford to postpone making new investments in development; nor can financial difficulties be allowed to slow down the completion of schemes which have already been taken up. From both these considerations; it follows that the level of investment next year in the public as well as the private sector must be stepped up as much as possible.

13. In a certain sense Sir the broad pattern of investment that we must undertake in India is self-evident; and it is easy enough to agree that we need to expand investment in irrigation works, fertiliser plants, power and transport programmes, or indeed basic and heavy industries which have a vital bearing on the future growth potential of the economy, But broad generalisations of this nature are of little help at this stage when the most important questions to decide are in regard to the choice of the specific projects and programmes in each of these fields which promise the greatest benefit in relation to the cost they entail. Our present arrangements for the choice of specific propects and programmes after a detailed examination of the technical and economic aspects of practical alternatives leave much to be desired; and it is my intention to strengthen this aspect of the work of my Ministry during the months ahead.

14. Apart from this question of the size and pattern of investment, there is need for speedier execution of projects and of earning better returns from the investments that are being made. Many of the public sector projects are lagging behind the schedule of their construction, and what is more disappointing is that their contribution to our resources is nowhere near the Plan estimates. It is of the utmost importance for our economy that enterprises in the public sector should not only make profits, but should make good profits. By that I mean that they should give a good dividend to the Exchequer and yet be able to build up reserves to finance their own future expansion. I know that some people think that public sector enterprises should work on no profits or on low profits. Such an approach is wholly unsound in any society, and more so one in which the State seeks to own or control the major sectors in production. When the State does no more than build schools, hospitals and roads, it need not look to direct returns on its investments. But when the State begins to provide power and transport, when it begins to own steel plants, fertiliser plants and machine-building plants, it must make sizable profits out of them, build reserves, amortise loans and provide adequately for depreciation of assets and their replacement, so that the public sector can expand without adding unduly to the tax burden. This is reinforced by the fact that the products and services provided by the public sector are absorbed by the private sector which is not inhibited from making adequate profits. To the future growth of the public sector in India, a major contribution has to be made by the return on investments already made in the public sector.

15. It is equally important for our development that the private sector has the resources to expand in the fields assigned to it. In my statement last December, I had referred to some of the steps to be taken towards

this end. Since then, the House has enacted legislation for the establishment of the Unit Trust which has already come into being. The House will also be considering the Bill for the establishment of a Development Bank which is intended to make an additional contribution to the resources for the development of our industrial economy. Important and significant as these measures are, basically the resources for development are generated not entirely by the setting up of institutions such as these, but in the community through the savings that are made. One of the prime objectives of our economic and fiscal policy, therefore, must be to generate savings both in the hands of individuals and in the hands of corporate bodies.

16. One of the weaknesses in our economy has been that a high proportion of the community's saving is being diverted towards industries of low priority towards quick speculative gains through purchase and sale of urban housing and the hoarding of commodities in short supply in a manner which tends to push up their prices. Some of these trends need rectification through fiscal measures to which I shall turn later. It is important that these savings should be canalised into the industries to which we attach the highest priority.

17. Part of the distortion, however, comes about through some of the short term and, if I might say so, short sighted devices to deal with the price situation. By imposing statutory controls on the prices of certain basic commodities, we often succeed in discouraging investment in the very industries which produce those items. This tends to perpetuate the shortage and to aggravate rather than relieve the pressure on prices. Often controls of this type do not result in the commodities in question being available to the consumer at lower prices. What happens is that the high prices which the consumer contiues to pay do not benefit the producer, but go into the pockets of others. And because these prices are not legally recognised, the Exchequer also is deprived of its dues. In curbing profiteering, fiscal devices can be used much more effectively than controls which lead to abuses. Reliance on price controls is only appropriate where it is possible to exercise effect check on distribution and consumption as well; in other words, where there can be some form of rationing.

18. While conceding the need to provide private industry with resources for the development entrusted to it in our planning scheme, I should like to say a word about the equally important point that we must not, in the process, allow concentration of economic power and growth of monopolies. The question which we have to consider is how we are to achieve this objective consistently with our concern to see that genuine and desirable development is not stifled. For a proper formulation of our policies and attitudes in this respect, Government feel that there is need for an impartial and objective enquiry so as to bring the relevant data out in the open. It is, therefore, proposed to set up under the Commission of Enquiries Act a Commission to enquire into monopolies and the concentration of economic power in the Indian economy. While we must await its report before undertaking any legislation or setting up any kind of a statutory body to deal with the monopolistic practices. I should like to draw attention to some aspects of this problem.

19. There are basically three essential ingredients in any industrial or economic set up. They are: ownership, control and management. When discussing the question of monopolies, it is important to distinguish between these three elements and to have a clear appreciation of their relative roles. It is popularly believed that the ownership of industries in the private sector is concentrated in a few hands. This is only partially

true. No doubt in a country like ours with such widespread poverty, a very large section of the population does not own any part of the industry, trade or banking which is carried on in the country. It is also true that the wealthier a person is, the larger would be his ownership of stocks and shares. At the same time, what is not often realised is that even the biggest industrial plants in the country today belong, in terms of ownership, much more to the people at large than to their original founders with whose names they are popularly associated. The Life Insurance Corporation is itself a significant shareholder of many of the larger industrial and banking units in the private sector. Investment by private individuals, many of them of modest means, has also been increasing. Among the further measures through which Government proposes to disperse the ownership of industry in the private sector, I would refer to the Unit Trust, our efforts to promote cooperative ownership, as we have done with a fair degree of success in the case of new sugar factory, and the measures which we adopt, and to which I shall turn later, to reduce the inequalities of wealth.

20. It is really disturbing that despite diffused ownership, control is concentrated in a relatively few people. We have recently taken some major steps to weaken this stranglehold. The changes in the Banking Companies' Act and the amendments to the Companies' Act have paved the ground for the state to have strategic control over the private sector in order to ensure that the investor in industry gets a square deal and that anti-social activities are curbed and controlled.

21. It is not, of course, our intention to interfere in the detailed running of an enterprise in the private sector. Indeed, the running of the enterprise is not a matter of control, but of management. Management is a professional and technical job and the skills necessary for that have to be encouraged and rewarded not only in the private sector, but also in the public sector. One of the weaknesses in the public sector today is the lack of adequate managerial personnel. The last thing which we should do is to weaken the management. It is control which really is the vital element. In the society which we hope to establish on an enduring basis, the private sector, in the sphere assigned to it, will have the opportunity to grow, to attract individual savings, and to develop managerial skills, subject to the overall discipline of the State, to prevent monopolistic exploitation and the pursuit of methods which do not help the growth of the economy. Our fiscal policies should give encouragement and support to larger investment in priority industries, to better and more efficient management by those who have the necessary talent and to a weakening of the devices, such as managing agencies and improvised selling agencies, through which dynastic domination of private industry is perpetuated.

22. The efforts which we make through our fiscal and other devices to encourage savings, to invest them soundly and to run our plants efficiently and profitably in the public interest, will, for many years to come, need to be sustained by the inflow of foreign exchange in the form of external capital which serves the dual purpose of filling the gap between domestic savings and levels of investment and our export earnings and import requirements. Much of our foreign assistance has been coming in the shape of credits and grants from friendly countries, as well as from international institutions, particularly the World Bank which takes an active role in organising the aid effort through annual meetings of the Consortium. We have since the Emergency, been also helped by external aid to strengthen our defence effort. In addition, supplies of agricultural products, specially wheat and cotton and rice under the PL 480 programme of the United States have made a major contribution in

meeting food and other material shortages in the country. We owe a debt of gratitude to these friendly counrties and institutions, which I must, on this occasion, publicly acknowledge.

23. While for some years to come we must rely on continued external assistance, it is important that we should at the same time, devote increasing attention to the objective of reducing our requirements of such aid. We can do so by reducing the level of our imports. But there is a point beyond which restrictions on imports, whether fiscal or administrative, begin to do more harm than good, result in idle capacity in industry and slower rate of growth and lead to higher prices with a consequent fall in export earnings, which may well exceed the saving in foreign exchange effected by a cut in imports. Our primary emphasis in import saving has to be not on additional measures of restriction, but on tuning our investment policies to give the maximum support to our balance of payments. Secondly, we must do everything possible to increase our export earnings, though here again, we have to be careful not to spend too much foreign exchange on the devices we use to help our exports. Finally, we must make full use of private capital sources in the world outside to augment the external aid we receive.

24. Quite apart from the credits which we receive from Governments, we could raise funds from the banking system and capital markets of the world. We have, however, to remember that our external debts are already at a high level. For the Third Plan, we had a repayment liability of approximately Rs. 575 crores, including principal and interest, and the repayment liablility for the Fourth Plan is already in excess of Rs. 825 crores. In these circumstances, we should specially welcome foreign investment in the shape of equity capital which not only brings with it technical know-how and managerial skills, but has the special advantage of not adding to the heavy and growing burden of debt repayment. To attract private investment in appropriate fields, we have to offer some incentives and I shall deal with those which pertain to the fiscal field a little later.

25. I shall now turn to the budget provisions for the coming year. At the existing level of taxation, I have budgeted for a total revenue of Rs. 2095 crores and expenditure for Rs. 2041 crores, leading to a surplus of Rs. 54 crores on Revenue account.

26. As compared to the revised estimates for the current year, the Revenue receipts next year would be more by Rs. 181 crores. The four principal heads of Revenue account for an improvement of Rs. 92 crores, while interest receipts are expected to go up by another Rs. 32 crores. Following the change in the procedure for the release of assistance under PL 480 on an advance basis, the grants for approved projects are now expected to exceed the current year's provision by Rs. 76 crores. But this would be covered by a corresponding transfer to the Special Development Fund for which the expenditure estimates take a debit. These improvements however, will be partly offset by a drop of Rs. 12 crores under Emergency Risks Insurance receipts and Rs. 4 crores under the surplus profits of Reserve Bank accruing to Government.

27. I am as I said before providing for Revenue expenditure of Rs. 2041 crores next year, of which Rs. 718 crores will be for Defence Services and Rs. 1323 crores for Civil purposes. The defence requirements debitable to Revenue next year show an increase of Rs. 25 crores over the revised estimates of Rs. 693 crores for the current year, while Civil expenditure shows an increase of Rs. 191 crores. The growing volume and cost of public borrowings, mainly for development, account for an increase of

Rs. 36 crores under Debt charges. A lump provision of Rs. 10 crores has been made on account of the increase in dearness allowance sanctioned recently with retrospective effect from 1st July 1963. Miscellaneous Social and Developmental Services in the fourth year of the Plan are expected to cost Rs. 21 crores more whereas grants to States for both Plan and non-Plan purposes would exceed the current year's Revised estimates by Rs. 53 crores. The self-balancing items of grants under PL 480 deposits and Emergency Risks Insurance Receipts, to which I have referred, together account for a net increase of Rs. 64 crores. The States' share of Union Excise Duties would also show an increase of Rs. 5 crores.

28. In putting forth these estimates, I have tried to be as liberal as I could in estimating receipts and as strict as possible in providing funds for expenditure, taking into account the fact that actuals have, in the past, shown large increases in receipts and savings in expenditure. At the same time, I must add that if for purposes of our development or for that matter defence we find it necessary, I shall not hesitate to come to the House for Supplementary Grants.

29. Excluding the adjustment for the transfer of loan assistance from U.S.A., which is notionally treated as Capital expenditure. Capital outlay next year is estimated at Rs. 796 crores representing an increase of Rs. 34 crores over the current year's Revised. The Defence Capital requirements next year at Rs. 136 crores show an increase of Rs. 20 crores over the current year.

30. The repayment of debt, both internal and external, will be of the order of Rs. 259 crores next year. Loans to parties other than State Governments at Rs. 254 crores will be higher by Rs. 64 crores. So far as States are concerned, the revised estimates include Rs. 101 crores as their share in the market borrowing in the current year which was a combined effort for the States and the Centre. It has since been decided, after consultation with the State Governments, to resume the practice of separate market operations by the Central and State Governments for the next year. Excluding the States' share of combined market loan, loans to States next year at Rs. 606 crores show an increase of Rs. 81 crores over the current revised estimates.

31. I must, at this juncture, digress to say that the financial position of most of the States has been causing me a good deal of concern. The total amount due to the Centre by the States at the end of the current financial year will be of the order of Rs. 3,000 crores. In addition, the States' liability on account of market loans at present amounts to Rs. 656 crores. Both in terms of loans from the Centre and market borrowings the States have been receiving more than what was originally contemplated in the Plan. Their share of Central taxes and duties has also been increasing. Yet most of them are constantly facing ways and means difficulties of a somewhat disturbing nature. The whole position will require careful review in the context of the Fourth Five-Year Plan. While we should aim at giving the States a good deal of flexibility in allocating their own resources, so far as Central assistance is concerned we must also ensure that a major portion of it is related to the Capital expenditure on identifiable projects which are economically sound and can be expected to generate the resources for the repayment of their liabilities. Other devices will also have to be thought of. As a first step, it is proposed to set up the Fourth Finance Commission at the beginning of the next financial year so that its report becomes available before we finalise the shape and size of the Fourth Plan.

32. Provision has been included in the budget next year for a total expenditure of Rs. 1516 crores for implementing the Plan of which Rs. 253 crores will be on Revenue account and the balance of Rs. 1263 crores as Capital outlay, including Loans. In addition, Railways are expected to provide Rs. 46 crores. Hindustan Steel Rs. 25 crores and other public sector enterprises Rs. 44 crores from their own resources. These estimates include Rs. 559 crores as assistance to the States of which Rs. 122 crores would be on Revenue account and Rs. 437 crores would be in the Capital budget. The States are expected to find Rs. 353 crores from their own resources. Thus, the total State Plants next year would be of the order of Rs. 912 crores as compared to the current year's budgeted outlay of Rs. 750 crores. With the Central outlay of Rs. 957 crores, contribution from public sector enterprises of Rs. 115 crores and State Plans of Rs. 912 crores, the total Plan outlay in the fourth year of the Plan would amount to Rs. 1984 crores, showing a step-up of Rs. 333 crores over the budgeted outlay of Rs. 1651 crores for the current year. Much of this additional outlay is to strengthen the agricultural sector, as well as to meet the cost of Plan projects which are nearing completion.

33. Larger outlays on Defence are also a matter of painful necessity to us. The Defence Budget in 1964-65, taking Revenue and Capital together, is somewhat lower than the budget estimate for the current year, but shows an increase of Rs. 46 crores over the revised estimates. No one in this House will grudge this increase though we may all regret it. For the current year's budget, the House was pleased to vote the necessary funds without asking for the usual details which, from the security angle, it would not have been prudent to disclose. We are now in a position to give a fuller picture and the budget papers contain the usual details. The point I would emphasise is that our defence effort depends largely on building up our production base and the steps we have taken to strengthen the economy are also those that will strengthen our defences. In recognition of this fact, even the outlays to be voted under the Ministry of Defence have a substantial provision for investment in productive enterprises.

34. For meeting the increased cost of development in the coming year and in the years thereafter together with our obligations to meet the needs of defence, it would be necessary to take all possible steps for mobilising resources. Promotion of savings would have to form a cardinal part of such mobilisation. I had indicated that we are likely to end the year with record collections of Rs. 115 crores through Small Savings I am assuming for the coming year net collections of Rs. 125 crores. I hope this figure will be exceeded. Even at this rate we are not likely to reach the target of Rs. 600 crores for the Plan. We have therefore, to make special efforts to step up the level of savings in the community as a whole. To this end our policy in regard to incomes, wages and consumption has to be reoriented. Savings, and as a consequence, investment can only be generated by a margin between consumption and incomes or wages. While we cannot afford to neglect our efforts to improve the lot of low income groups, such efforts, I feel, should be directed more towards measures of social security than towards an increase in their expendable income. This is not the time for me to go into details but I will content myself by saying that Government intended to devote special attention to the task of mobilisation of savings and social security measures in the coming year. I am making suitable administrative arrangements for this purpose.

35. I may now summarise the overall budgetary position. Capital outlay will amount to Rs. 796 crores, loans to States and other parties Rs. 860

crores and debt repayments Rs. 259 crores, leading to a total disbursement of Rs. 1,915 crores. These are expected to be met to the extent of Rs. 54 crores from Revenue surplus, Rs. 997 crores from internal and external borrowings, Rs. 285 crores from repayment of loans, Rs. 125 crores from small savings and Rs. 278 crores from miscellaneous debt and deposit heads. These would leave a total uncovered budgetary gap of Rs. 176 crores at the existing level of taxation.

36. I have stated often that the growth of the economy has not been commensurate with our expectations. These measures we have taken during the last six months have produced some improvement in the situation; but more has to be done to stimulate the economy. The existing taxation policy, good as far as it goes in the direction of producing revenue, has also to be geared to the paramount task of promoting growth. It is admitted on all hands that fiscal measures have a major role to play in the process of economic development. In this process of accelerating the tempo of development, care has also to be taken to ensure that we do not, at the same time, add to the forces of inflation which are always around the corner in an economy characterised by shortages of one kind or another.

37. Against this background, the overall deficit of Rs. 176 crores for 1964-65 which I have visualised at the existing rates of taxation is something which we have to temper, if not altogether avoid, particularly as it would come on top of successive doses of deficit financing and at a time when the upward spiralling of prices is causing all of us concern. It is also necessary that the tax structure should not merely be attuned to the needs of growth and to the revival of the capital market, but it should also provide sufficient cushion for both corporate and individual savings with a check on unproductive spending. Taxation has, therefore, to be used as a sensitive and multipurpose tool, to encourage production, to keep a measure of restraint on rising levels of consumption, to ensure that people get the fruits of their labour, to induce savings and to prevent profiteering so that the inherent ills of a scarcity economy such as ours are not multiplied. Having stated all this, I realise that these very desirable goals cover a whole horizon and it is not possible at one stroke to serve all the purposes in a single year's budget proposals. But to the extent it is possible, I propose to address myself to these tasks; and the proposals I am making are intended primarily to serve these ends.

INDIRECT TAXES

38. I had given some thought to the structure of indirect taxes. While this will bear more scrutiny than I have been able to give them, I am proposing some changes in indirect taxes, both excise and customs, the cumulative effect of which will hardly add to the burden that the economy is now bearing.

UNION EXCISE DUTIES

39. One of the essential conditions to be fulfilled by indirect taxes is that the revenue from the items on which such taxes are imposed is sizable and secondly, that the incidence of these taxes should be identifiable. Applying these two criteria, it is proposed to remove the duty completely on a number of items. They are gramophone records, all gases other than carbon dioxide used in the manufacture of aerated waters, low voltage electric motors and all acids other than sulphuric acid. It is proposed to withdraw the excise duty on soap, manufactured without the aid of power and to levy an effective duty of Rs. 40 per tonne on sodium silicate which goes into the manufacture of such soap. This

would free from excise control a large number of soap manufacturers. It is also proposed to modify the sub-classification of soap produced with the aid of power from four to two. Some changes are being made by regrouping items under paper in order to simplify the schedule of rates and classification. With a view to encourage the use of bagasse in the manufacture of paper, the duty on paper in the manufacture of which more than 50 per cent bagasse is used would be reduced by 5 naye paise per kilogram. The special duty of excise is being abolished in respect of synthetic dyes glassware, chinaware, procelainware, cellophane and certain types of writing and printing paper and electric bulbs and reduced on the initial slabs on tyres. The schedule of duty on cigarettes is being revised lowering the duty on one group and raising it slightly on another so as to prevent shift in production. It is proposed to revise the tariff description of plastics and electric wires and cables and of foot-wear and aluminium. The net result of these changes is a loss of revenue of Rs. 486 lakhs.

40. It has been decided to abolish the surcharge on iron and steel, which is transferred to the Iron & Steel Equalisation Fund. The surcharge is being replaced by an increase in the effective rates of Excise Duty on pig iron, certain steels and steel products; some of these are being prescribed as ceiling rates so as to enable Government to increase the effective rates further if circumstances call for such a measure. The effective rates per tonne now proposed are Rs. 30 on pig iron, Rs. 90 on semi-finished steel and steel bars, rods and structurals, Rs. 110 on all flat products other than skelp and Rs. 150 on skelp. This will mean an increase in revenue of Rs. 1181 lakhs in 1964-65, more than compensating the loss of accrual to the Iron & Steel Equalisation Fund.

41. It is proposed to extend further the process of transferring Excise Duty from cotton fabrics to yarn as well as to processed cloth. Increase in the duty of fine and super-fine yarn has become necessary in view of the high profits that are being made on such yarn which are spun from imported cotton. By levying a surcharge on sized yarn and also by prescribing higher effective rates for yarn other than in hanks, with the duty on yarn in hanks being kept at a comparatively low level, the impact of these duties on hand-loom cloth will not, it is expected, be felt. The lowering of duty on grey fabrics had necessitated lowering of the rates of compounded levy on power loom units of 5 to 49. Power-loom units of 50 and above will pay a preferential duty at 80 per cent of the rates applicable to composite mills. The addition to revenue as a result of these changes will be Rs. 981 lakhs on yarn and a reduction of Rs. 286 lakhs on fabrics. It is also proposed to raise the effective rates of duty by 50 per cent in the case of rayon yarn and about 100 per cent on other synthetic fibres and yarn and to reduce the special duty on cellulosic staple fibre.

42. In addition certain minor adjustments will be made in some of the other items of excise tariff such as paints, varnishes, worsted yarns, matches, rubber products and a few more; the details of these changes will be found in the Memorandum explaining the provisions in the Finance Bill, which is being separately circulated.

43. Taken all together, these changes in Excise Duties, would account for a net gain in revenue of Rs. 1954 lakhs in 1964-65, of which Rs. 39 lakhs will accrue to the States. The net additional burden on industry will, however, be only about 1 per cent of the total estimated revenue from this source.

44. It is proposed to continue the power to levy regulatory duty, both for Central Excise and Customs. There has been no occasion to use these powers during the current year. Nevertheless, the continuance of this power is necessary in order to meet unforeseen price or production situation. The lifting of control over prices of certain goods would also necessitate a watch on their movement. It is, therefore, proposed to take power to levy a regulatory duty of excise at the rate of 15 per cent.

CUSTOMS DUTIES

45. In regard to Customs Duties, my proposals are mainly confined to maintaining the actual incidence of duty as it was till a few months back. It is known that a number of items are assessed to import duty on basic tariff values. Before the coming into force of the Customs Act of 1962, the tariff values were based on market values which included certain post-importation charges. In view of the provisions of the new Customs Act, it became necessary to fix the tariff values without such charges. This resulted in the tariff values being lowered on certain articles, especially dry fruits, copra and caustic soda and consequently the import duty on these articles has gone down. It has been found that the benefit of lowering the incidence of duty on these articles has not been passed on to the consumer and it is, therefore, necessary to revise the rates of duty so as to keep the actual incidence at about the same level as it was before the change in tariff values was made. In the case of dry fruits it is proposed to adopt specific instead of ad valorem rates for most varieties. The rate of duty on copra is being raised from 25 per cent to 30 per cent and that on caustic soda from 40 per cent to 80 per cent. In both cases the preferential rates will be 10 per cent lower. The increase in revenue as a result of these changes which I have mentioned is to compensate the losses we had in the current year is expected to be Rs. 202 lakhs in 1964-65.

46. It is proposed to raise the import duty on high carbon or spring steel wire by 20 per cent to place the indigenous product on a competitive basis. The rate of duty on motor cars, which has gone up to 150 per cent, though actual imports are few, is very high and it is proposed to reduce this to 60 per cent. It is also proposed to abolish the export duty on jute.

47. The net effect of the changes in the Customs duty will be an increase in revenue of Rs. 208 lakhs in 1964-65. There will also be an additional revenue of Rs. 429 lakhs from countervailing duties.

48. The total effect of all the changes in indirect taxes will be a gain in Central revenue of a little over Rs. 25 crores in 1964-65. As against this we should put down the loss of Rs. 7-8 crores, in Steel Equalisation Fund.

DIRECT TAXES

49. Revenue from direct taxes has shown a considerable amount of buoyancy. This is partly due to the measures taken in recent years to close the gap between the tax due and the tax collected. Due to a shortage of staff and the difficulties of training new staff within a short period. assessments have been falling into arrears and even provisional assessments were not kept up-to-date. This has been partly remedied but a great deal more remains to be done. The administrative drive for better collection and stricter enforcement requires to be supported by suitable legal powers. The tax structure itself, which has grown in a somewhat

haphazard manner, needs a closer look and in this task one has to remember that direct taxes provide the means through fisc for change in the nature and direction of society towards the goal of removing inequalities in income distribution.

INCOME-TAX

50. In the corporate sector, the primary need of the hour is to infuse some confidence. The resources of this sector have to be augmented from within as well as from without, and it is therefore, necessary to provide incentives for the existing companies to plough back a larger share of their profits and also diminish the disincentive for inter-corporate investment. In this process, it seems to me necessary to make a distinction between capital intensive industries and others. The need for basic industries to grow is recognised on all hands. Therefore, selective support has to be given to these industries. I am aware that all the desirable things cannot be done simultaneously. Though our present need for larger resources makes it difficult to give up any source of revenue. I am sure the changes now proposed to be made and incentives that are being provided would be appreciated and confidence would generally revive.

51. There has been considerable criticism in respect of the Super Profits Tax and the uneven nature of its effect on industry as a whole. I understand that some of the corporate units with a large capital base have not been unduly affected by the Super Profit Tax as it is at present framed while some of the rest bear a much larger share of the burden. The net result has been that it has produced a psychological resistance and has to some extent affected industrial growth. I propose to address myself to re-modelling the corporate tax structure having in view the needs I have outlined earlier. The present tax on corporations of 25 per cent Income-tax and 25 per cent Super-tax would remain. In substitution of the Super Profits Tax, I propose to levy a surtax on profits of companies. The capital base for this purpose will consist of equity and preference capital, reserves, debentures, loans from approved financial institutions and loans for 10 years or more from banks, or from foreign sources for creating capital assets. This tax will be at the rate of 40 per cent on the residue of the profits after tax after deducting 10 per cent on the capital base.

52. In order to encourage development of certain industries which occupy an important place in our economy, I propose to provide to companies which engage in such industries a rebate of Corporation Tax equivalent to 10 per cent of the Income-tax and Super-tax, which will be normally payable by them. This rebate will also be applicable in respect of surtax on such profits to the extent of 20 per cent of tax assessed. These industries are named in the Finance Bill and power is being taken to notify additions to this list from time to time. They include basic metals like steel, copper and aluminium, mining of coal, lignite, iron ore and bauxite, industrial machinery and machine tools, cement, fertilisers, paper and pulp, tractors, equipment for generation of electricity and tea, coffee and rubber.

53. The reliefs which are being given are intended to strengthen the reserves and augment the capacity of the corporate sector to develop. It is desirable to discourage the dissipation of these additional resources in higher dividends. With this object in view, it is proposed to levy a tax at the rate of 7.5 per cent on the amounts distributed as dividend on capital other than preference capital. Where dividend has, however, to

be compulsorily distributed under the law, such distribution will not attract this tax. A new company has, however, to wait for some years before it can declare a dividend, such period varying with the nature of the undertaking. It would, therefore, be fair to exempt such companies from this tax to the extent of a dividend of 10 per cent on capital other than preference capital for a period of five years from the first declaration of dividend by such a company.

54. At present, inter-corporate dividends bear Income-tax at the rate of 25 per cent and Supertax at varying rates depending on when the company was formed and whether it is an Indian company and is a subsidiary or not. It is proposed to abolish these fine distinctions and exempt all inter-corporate dividends from Super-tax. It is also proposed to remove the provisions in the Income-tax law respecting disallowance of expenditure incurred by companies on the remuneration of their Indian employees above Rs. 60,000 per annum for each employee. The imposition of this limit has not brought any perceptible advantage to revenue and besides being discriminatory is an ineffective restraint under tax law in respect of remuneration of Indian employees. Salaries of certain categories of employees are subject to restrictions under the Companies Act. I, therefore, see little advantage in continuing the application of this limitation. It is, however, proposed to introduce a new provision in the Income-tax Act limiting the amount of deduction admissible to companies for expenditure incurred by them in providing perquisites to their employees, whether of Indian or foreign nationality, to an amount of 20 per cent of the salary of each employee. Any expenditure in excess of that limit would not be deducted in computing the assessable income of the company. This will have the healthy effect of putting a curb on excessive expenditure on perquisites for companies' employees. It is also proposed to reduce the deduction of Income-tax at source from dividends from 30 per cent to 20 per cent for resident holders of shares. It is expected that this will be of some benefit to small investors who have to wait for quite some time to get their refunds.

55. I propose to increase the rate of Super-tax in the case of non-resident companies from 38 per cent to 40 per cent in respect of their income other than dividends and also royalties and fees for rendering technical services received from an Indian concern under an agreement approved by the Central Government. The Super-tax on income from royalties and technical fees will be at the rate of 25 per cent. The Income-tax for these companies will continue at the existing rate of 25 per cent.

56. I propose to increase the rate of Super-tax from 25 per cent to 35 per cent in the case of companies other than those in which the public are substantially interested or are wholly subsidiary of public companies, namely the group generally referred to as Section 23-A companies which are now governed by Section 104 of the Income-tax Act, 1961. Such of these companies as are engaged in specified industries will also be eligible for the proposed rebate of Super-tax equivalent to 10 per cent of the Income-tax and Super-tax payable by them. Income-tax on dividends received by non-resident companies engaged in the specified industries will be reduced from 25 per cent to 15 per cent. Further, I propose to exempt such Indian companies as are now governed by section 104 of the Income-tax Act, originally called section 23 A companies, and are engaged in the manufacture or processing of goods or mining or generation and distribution of electricity or any other form of power, and other classes of companies as may be notified, from the existing requirement of compulsory distribution of dividends. This will enable such companies to

plough back their profit after tax into the undertaking to the extent it may be necessary. For companies other than these, the Central Board of Direct Taxes will be empowered to exempt such portion of the profits which it considers necessary to be retained to meet the development needs of the company, subject to the limit of 20 per cent of the income required to be distributed.

57. I find that the provisions of the Income-tax Act allowing as deductible expenditure amounts spent wholly and exclusively for the purpose of business are being abused in respect of certain types of expenditure. Unduly large amounts are spent on daily allowance, on unnecessary bookings on planes and trains, on advertisement and on the maintenance of guest houses and suites of rooms in hotels outside the specific places of business, on providing conveyances and in paying high rents for accommodation for the officers and directors and in many other ways. I am afraid this tendency amongst companies is responsible in no small measure for the present high costs and the time has come to put a check at least on some of these expenses. It is not practicable to spell out all the restrictions in detail in the Act itself as some room will always be left for those inclined to evade these provisions to find ways and means of doing so. I feel it is necessary to have the power to make rules in this behalf where a specific provision is not practicable. A provision has been included in the Finance Bill for this purpose. Subject to these changes I propose to continue the existing corporate tax structure, including the rebate on incomes earned from exports.

58. I would have liked to discontinue the present general availability of development rebate and to confine it on a graduated basis to certain selected industries. I, however, appreciate that this might cause some difficulties to concerns who have made plans for starting an industrial undertaking on the presumption that this rebate would continue to be available to them in the near future. In view of this, I would like to clarify that the continuance of the development rebate in its present form beyond 1st April 1966 should not be assumed. I believe it is in the interest of industrial development to give such notice.

59. On the non-corporate side, I consider that the present rate structure of Income-tax and Super-tax needs revision. The structure has grown over years with annual additions and occasional reductions. A number of surcharges have been added to it under a variety of nomenclature. It has been represented to me that the working out of the tax due under the circumstances is itself a very difficult task even in the case of small and medium incomes and this throws an enormous weight of work on the staff all of which seems unnecessary. I feel it is time that we had a fresh look at the basic structure itself. In this context it is worth while mentioning that the motivating factor behind earned incomes should not be altogether ignored. Much of it is due to the incentive, the initiative and hard work of the earner himself, and for keeping up this effort and to enthuse the earner to greater efforts, it is necessary for him to have a feeling that at least some substantial portion of what he earns is left in his hands. In view of the present constitutional position and the need to augment the resources of the Centre, it is proposed to continue to levy a surcharge for the purposes of the Union.

60. The personal Income-tax structure is being re-graded. This will provide a revised and simplified schedule of rates of Income-tax and Super tax in which most of the surcharges will be integrated and will mean a reduction of tax at all levels. With this change, the burden on

the incomes in the lower brackets will be substantially lower than what it is now.

61. I propose to fix the Central surcharge on earned incomes above Rs. 100,000 at 10 per cent and on unearned incomes above Rs. 10,000 at 12½ per cent where such income does not exceed Rs. 25,000 and at 15 per cent where it exceeds Rs. 25,000 but does not exceed Rs. 75,000 and at 17·5 per cent above that amount.

62. The Compulsory Deposit Scheme, which, as the House is aware, is now only applicable to Income-tax paying category of persons, who can discharge a part of their liability in respect of additional surcharge by making a deposit, would be discontinued altogether. Income-tax payers in the small income groups were, I am afraid, hard hit by the scheme, particularly after discontinuance of the scheme for other categories in September last. I did not like to make a change then though I was alive to the need for giving marginal relief even in the current year on some of the lower incomes. I now propose to make a retrospective amendment to the relevant provisions of the Finance Act, 1963 to secure to such assessees appropriate marginal relief from the additional surcharge.

63. I propose to introduce an Annuity Deposit Scheme to replace the Compulsory Deposit Scheme which will operate at the income level above Rs. 15,000 per annum. This deposit will be at the rate of 5 per cent in the case of assessees having incomes between Rs. 15,000 and Rs. 20,000; at 7·5 per cent for those with incomes between Rs. 20,000 and Rs. 40,000; at 10 per cent for incomes between Rs. 40,000 and Rs. 70,000 and at 12·5 per cent where the income is above this amount. The deposit which will be compulsory for resident assessees who are citizens of India will be allowed as a deduction in computing the total income for the year in which it is made. It will be repayable in ten annual equated instalments of principal and interest commencing from one complete year after the year of assessment. The deposits in 1964-65 will earn interest at a rate slightly above 4 per cent per annum compound. Deposits which are repaid from year to year will, however, be assessed as part of the income of the assessee in the year in which it is so repaid. In addition, I also propose to extend on a voluntary basis the benefit of this arrangement to authors, actors and artists, who at their option can deposit a further amount not exceeding 15 per cent of their income under this Scheme in order to reduce the taxable income in the year in which it is earned and get it back in instalments over a period of ten years. It is expected that this can be used by them as savings for their future benefit with the advantage of a tax saving. I propose to extend this benefit to taxable gratuity income also. Persons receiving a gratuity liable to tax can make at their option a deposit up to 50 per cent of the amount of the gratuity under this Scheme and get the benefit of saving in tax.

64. With the coming into force of the Annuity Deposit Scheme the net income in the hands of assessees in the income group of Rs. 15,000 and above will be slightly lower than it has been hitherto, but there will be the advantage of an annual return in this form besides the savings in tax on the aggregate amount. I consider a marginal reduction in the expendible income of this group as something which is justified by the present conditions.

65. The revised tax structure without taking into account the capital receipts from the Annuity Deposits would mean a lowering of revenue from these sources and a compensatory lowering of tax at all levels. I expect, however, to make good this loss wholly by tightening the tax

assessment and the collecting machinery in a number of ways. As the House is aware there is a general feeling that Government is losing a fair share of its revenue due to evasion and avoidance. This has been attributed in part to the prevailing high rate of taxes. With a reduction in the tax rates now proposed I hope we shall hear less of this reason. The main steps proposed for checking evasion are five-fold. Firstly, every tax return will carry an affirmation about its correctness. This will, I hope, induce people to take additional care in preparing their return. Secondly, the tax due according to the return will have to be deposited within one month of the submission of the return, failing which the assessee will be liable to a substantial penalty. This will ensure quicker collection. Thirdly, the existing provision in the Income tax Act regarding the levy of penalty for concealment of income is proposed to be amended. In the new provision where the income returned by a person is less than 90 per cent of the assessed income, the assessee should be deemed to have concealed his income unless he proves his bona fides. Fourthly, it is proposed to take extensive powers to search for evaded wealth. The evil of unaccounted money has become so great that its mitigation, if not its total eradication, calls for drastic measures. It is intended to use the new powers effectively to ensure that no person possessing income or wealth that has escaped assessment remains out of the reach of law. I would like this to serve as a warning to persons entering into transactions involving large sums in cash. Fifthly, it is proposed to do away with the secrecy provision in the Income-tax Act and other similar enactments. The combined effect of all these steps will, it is hoped, prove beneficial to collection of revenues as well as to ensure a fairer deal to the honest taxpayer.

66. I propose to allow rebate of Super-tax on contributions to recognised Provident Funds, deposits in the 10 and 15 year accounts of the Post Office Cumulative Time Deposit Scheme and premiums on life insurance but the limit for this purpose will continue to be at Rs. 10,000 per annum. Rebate of Income-tax and Super-tax will cumulatively be limited to 50 per cent of the payments or deposits qualifying for relief.

67. Our tax rates cause some hardship to foreigners working in India. Many of them find it necessary to keep their school going children in their own country. In western countries there are liberal concessions in Income-tax amongst other things for children's education. In the U.K., it is fixed at £ 150 per child. I, therefore, propose to allow to resident assessees who are not citizens of India a rebate of Income-tax and Super-tax of a sum on Rs. 2,000 per child up to two children under 21 years of age receiving education outside India.

68. I also propose to extend the scope of two-existing concessions. As the House is aware, under our Income tax Act, certain categories of foreign technicians whose contracts have been approved before their arrival, enjoy exemption from tax on their salary income for a period of three years. In the absence of prior approval, the tax exemption is limited to one year. In some cases, it is found necessary to bring technicians at a short notice when it is not possible to obtain prior approval to their contracts of service. Sometimes it is found that the task for which a technician is brought out takes longer than was expected and the period may go beyond one year. To remove these difficulties, it is now proposed that the tax exemption for three years will be available provided approval is obtained within one year of the arrival of the technician in India. It is also proposed to extend the concession of

exemption from tax to foreign teachers and professors coming to India on approved programmes.

69. Under our law, incomes arising from a business connection are liable to tax. While this principle is generally sound for developing countries, it is found necessary in the context of our present drive for higher exports to exempt from tax such income arising from purchase in India of goods which are exported. In order to encourage our exports, it is necessary to remove the disincentive of tax liability which does not exist in many other countries. I also propose to extend the scope of exemption from tax on interest on approved foreign lending by bringing within its scope investment in approved securities.

70. The tax on capital gains, which is on the statute book, has certain drawbacks. It applies at the ceiling rate of 25 per cent on any capital gain made above Rs. 10,000. The tax laws as such in respect of capital gains require that the capital gain accrues only when there is a transfer of asset and a payment for it in an encashable form. Certain types of assets newly created like bonus shares which are in the nature of capital gains do not attract this tax. Apart from the fact that the tax impinges heavily on the lower receipts and lets off lightly larger receipts, it makes no distinction in regard to different types of property on the sale of which capital gain accrues. All these considerations make it necessary for the structure of the tax on capital gains to be revised.

71. At present, the law does not permit short-term gains made within one year to be treated as capital gains and treats it as income and this is as it should be. Such short-term capital gains will also bear the surcharge in respect of unearned income. But in regard to the other types of capital gains, I propose to make three changes. The main one is that the tax on capital gains will be on a graduated scale in future without a ceiling of 25 per cent as at present. Secondly, the scale will be different for house and landed property and will be at the rate of 75 per cent of the appropriate slabs in the Income-tax cum Super-tax rate of personal taxation. Other types of property will bear tax at 50 per cent of the average rate of tax on personal income. The third change will be that it is proposed to provide that an invester in shares after receiving bonus shares shall be charged to tax on capital gains accruing to him in respect of such shares in the year in which they have been issued to him with reference to the market value of the bonus shares as on the 31st day from the date of their issue. There is no reason why capital gains in respect of bonus shares should be computed only when the shares are actually sold or transferred. Bonus shares result in a definite accretion to the capital of the assessee even before they are sold or transferred. Therefore, they will have to be distinguished from other assets. There is, however, no change in the present exemption limit.

72. In regard to exporters, the existing rebate of Income-tax and Super-tax on profits derived from exports and on an amount of 2 per cent of the proceeds of exports or sale for exports by manufacturers is proposed to be continued. It has however, been decided to exclude from the purview of the latter concession such articles as arms, ammunition, photographic films and newsprint and to include items such as non-jute textiles exported after the 29th February, 1964.

73. I have referred to the main changes which are proposed in the Income and Corporate Taxes. There are a few others in the Finance Bill which it is perhaps not necessary for me to refer to here.

Wealth Tax

74. In regard to Wealth Tax I propose to make a few minor changes in the rate structure. It has been decided to re-introduce the rate of 0.5 per cent for Wealth Tax on the first slab of a net wealth of Rs. 4,00,000 but beyond Rs. 1,00,000. Other slabs will be slightly re-arranged but their rates remain the same. It is also proposed to exempt from Wealth Tax the value of a house or part of the house owned or used by the assessee for residential purposes subject to the limit of Rs. 1 lakh where such a house is situate in a place with a population exceeding 10,000. Other exemptions remain.

Estate Duty and Gift Tax

75. I propose to completely re-cast the tax rate schedules of Estate Duty and Gift Tax. The Gift Tax was introduced as a complement to Estate Duty in order to deal with gifts which ultimately have the effect of reducing the value of the estate subject to duty. The social purposes connected with these two taxes have somewhat been haltingly reflected in the rate structure that now obtains. The time has now come to put a check on the passing on of wealth and property covering large amount by inheritance. It is conceded that the right of a person to own and enjoy the fruits of his labour in his life subject to his social obligations should be ensured. But the acceptance of this principle does not justify allowing large family fortunes being passed on from one generation to another. If there is to be a limit on the amount of wealth to be passed on from one generation to another, we cannot escape from dealing with gifts which can be used as a means of avoiding or reducing the liability to the impact of Estate Duty. In this context it has been found necessary to ensure that when gifts are made to the same donee over a period of five years, the gifts of such donee should be aggregated with the value of other taxable gifts made by the assessee during the preceding five years.

76. At present, the rates of Estate Duty are gradually reaching 40 per cent on estates of over Rs. 50 lakhs. I propose to replace it by a rate structure in which the rate of 40 per cent will be reached on an estate worth over Rs. 10 lakhs, going up to 50 per cent on the next slab of Rs. 5 lakhs and to 85 per cent on the value of the estates over Rs. 20 lakhs.

77. As the House is aware, the revenue from Estate Duty will accrue mostly to the States and the revised rates will apply only to property passing on death taking place after the rates have come into force. The total additional revenue expected in 1964-65 is Rs. 300 lakhs, of which Rs. 295 lakhs will accrue to the States.

78. I should like to clarify one point in connection with these changes. The Estate Duty covers agricultural lands also. Estate Duty in respect of agricultural land is a State subject. In view of Article 250 of the Constitution, the Parliament has power at present to legislate in this respect also. The State legislatures will, however, have to consider whether they would like the new rates to continue to apply to agricultural lands after the period mentioned in clause (2) of Article 250 is over and if thought proper, pass necessary resolutions for the purpose. On the passing of such resolutions by some States, further legislation will be undertaken.

79. In the matter of Gift Tax, in the existing scales the highest rate of 40 per cent is reached on gifts over Rs. 50,00,000. The highest

rate which I now propose is 50 per cent which will be applicable to taxable gifts of a value above Rs. 3,45,000. The rate of 40 per cent will apply on gifts between Rs. 1,45,000 and Rs. 3,45,000. The existing exemption limit of Rs. 10,000 is proposed to be reduced to Rs. 5,000. It is hoped that these changes will restrict transfer of property by gift.

80. In circumstances arising out of the stepping up of the rates of Estate Duty and Gift Tax, and in order to discourage spending, I think it is necessary to reintroduce Expenditure Tax. I have carefully considered the circumstances and difficulties which made my predecessor suspend the collection of this tax. It seems to me that these difficulties arose on account of too many exemptions and the high rates of the tax. Besides, the wording of the charging section of the Act was highly defective and considerably limited the scope of the operation of the tax. This clause has now been re-drafted so as to attract Expenditure Tax on all expenditure above Rs. 36,000 per annum no matter from which source the money for expenditure came. It is also necessary to harmonise the process of lowering of the rates of Income-tax with the imposition and changes in Expenditure Tax with reduced rates. I, therefore, propose to reduce the exemptions and exceptions to the minimum, and to have the rates rising from 5 per cent to 20 per cent on successive slabs of Rs. 12,000. There will be no tax on first Rs. 36,000. The rate of tax will be 5 per cent on the next Rs. 12,000, 7·5 per cent on the slab of Rs. 12,000 after that and 10 per cent on the next slab of Rs. 12,000. It will be 15 per cent between Rs. 72,000 and Rs. 84,000 and 20 per cent above Rs. 84,000. I also propose not to apply the highest slab of 20 per cent for the expenditure in the years 1963-64 and 1964-65. I also propose to prescribe a compulsory return for certain categories of persons in order to ensure that evasion is reduced.

81. As a result of all the changes I have proposed in the direct taxes, there will be an additional revenue of Rs. 15 crores to the Centre. The abolition of the Compulsory Deposit Scheme and the introduction of Annuity Deposit Scheme will result in a net credit of Rs. 50 crores in 1964-65 on the capital side after allowing for a drop of Rs. 7 crores in the accretion to the Iron and Steel Equalisation Fund.

82. The combined effect of the changes in taxes and deposits will be a net gain to revenue of Rs. 40 crores and to capital of Rs. 50 crores leaving an overall gap of Rs. 86 crores as against Rs. 176 crores originally estimated. Given the present economic situation, to which I have referred earlier, this order of deficit, I think, should serve best the requirements of growth as well as reasonable stability in prices. Honourable Members would note that in my remarks today, I have given attention to the overall deficit, rather than to the position on the revenue account. With the growing importance of capital expenditure in our budgets, it is no longer sufficient merely to balance the revenue budget. Indeed, the revenue budget must yield an increasing volume of surplus if the requirements of public investment are to be met without continually growing reliance on private or foreign savings.

83. In presenting the estimates for the coming year, I have taken substantial credit for higher collections of revenue by improvement in administration and stricter enforcement. On the other hand, in estimating expenditure, I have enforced very tight budgeting. I have emphasised the role of savings in the community and Government itself should set an example by economising in expenditure and by not investing in less essential fields. Economy in administration is fully compatible with efficiency; and it shall be my constant endeavour to ensure that

the administrative machinery of the Government is reorganised so that it is fully responsive to this need.

84. Our standards of performance, be it in economy in expenditure, or in efficiency in collection, have to improve if we are to put our limited resources to the best possible use. In formulating these proposals, my attempt has been to correct anomalies, to rationalise the structure of taxation, to initiate steps to plug loopholes, to create incentives and to reduce unearned profits. Generally, I have attempted to create some cushion in our tax structure which could be relied upon in the event of an unforeseen contingency we are passing through difficult times. We might have to face a rehabilitation problem of some dimension. Our defence requirements may also any day make a larger demand on our resources. We have to be ready to meet any unforeseen demand by keeping a margin for safety in our budgetary transactions. But above all, we must prepare ourselves for shouldering ever-increasing responsibilities in the sphere of development, social justice and social security where despite what has been done so far, the road ahead is long and arduous. Sir, I hope that in framing my budget proposals, I have been able, at least in some measure, to keep my gaze fixed at this distant and difficult goal even as we prepare for meeting the requirements of the immediate future.

Sir, I conclude.

SUMMARY OF FINAL ESTIMATES

(In lakhs of Rupees)

REVENUE	Budget 1963-64	Revised 1963-64	Budget 1964-65
Customs	301,20	320,00	330,00 +6,37*
Union Excise Duties	687,51	703,47	750,39 +19,15*
Corporation Tax	222,00	275,00	295,00 +11,00*
Taxes on Income	120,05	115,71	141,55
Estate Duty	12	13	13 +5*
Taxes on Wealth	9,40	10,00	10,00 +20*
Expenditure Tax	10	17	5 +1,50*
Gift Tax	95	1,10	1,10 +2,00*
Other Heads	19,87	20,46	21,57
Debt Services	217,05	220,46	252,14
Administrative Services	6,76	8,25	8,98
Social and Developmental Services	31,16	29,25	28,13
Multipurpose River Schemes, etc.	45	15	11
Public Works, etc.	4,38	3,77	3,75
Transport and Communications	7,46	7,20	6,81
Currency and Mint	73,68	57,37	53,73
Miscellaneous	24,93	17,48	17,29
Contributions and Miscellaneous Adjustments	27,66	29,11	31,08
Extraordinary items	81,00	94,60	143,31
TOTAL REVENUE	1836,18	1913,68	2095,12 +40,27*

*Effect of Budget proposals.

(In lakhs of Rupees)

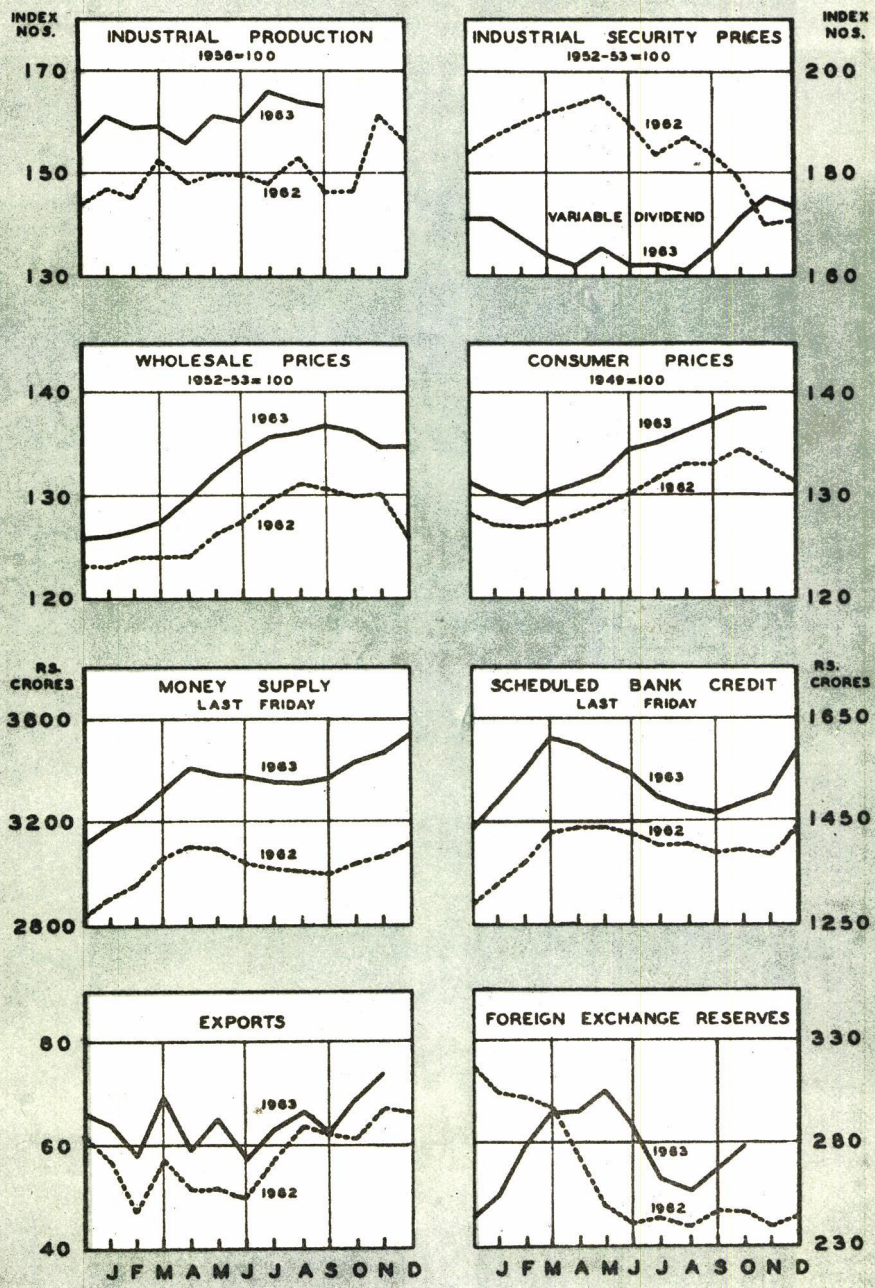
EXPENDITURE	Budget 1963-64	Revised 1963-64	Budget 1964-65
Collection of Taxes, Duties and other Principal Revenues	23,83	23,67	25,34
Debt Services	280,24	282,06	318,41
Administrative Services	88,28	80,45	81,84
Social and Developmental Services	155,40	146,94	168,14
Multipurpose River Schemes etc.	1,96	1,36	1,84
Public Works, etc.	20,94	21,65	20,21
Transport & Communications	9,79	8,70	10,18
Currency and Mint	17,24	16,76	17,33
Miscellaneous :			
Pensions	10,68	10,77	11,04
Expenditure on Displaced Persons	18,41	11,76	8,46
Other Expenditure	91,89	69,46	79,01
Contributions and Miscellaneous Adjustments :			
Grants to States and Union Territoty Governments	217,55	235,70	289,08
States Share of Union Excise Duties	128,07	135,99	140,98
Other Expenditure	3,42	3,46	4,13
Extraordinary items	86,19	84,06	147,52
Defence Services (Net)	708,51	692,55	717,80
TOTAL EXPENDITURE	1852,40	1825,34	2041,31
Deficit(—)	—16,22	+88,34	+53,81
Surplus (+)			+40,27*

*Effect of Budget proposals.

ECONOMIC SURVEY
1963-64

ECONOMIC SURVEY
1964-65

SELECTED ECONOMIC INDICATORS



MINISTRY OF FINANCE, ECONOMIC DIVISION.

PREFACE

It has been customary in the past to present the Economic Survey along with the Budget papers. Since the Survey deals with economic developments in the preceding year, it has been felt that it would be an advantage if it were available a few days before the Budget is actually presented to Parliament. Accordingly, it is being presented and published a little before the Budget day.

2. The report is in two parts. Part I contains a general review of developments in the preceding year as well as an assessment of future trends. Part II is a more detailed analysis of developments in different sectors of the economy.

ECONOMIC SURVEY—1963-64

PART I

During the year under review a major effort was made to strengthen the country's defences. At the same time it was recognised that emphasis on economic development, which was essential both for its own sake and to support the defence effort had to continue. Outlays on both defence and the Plan were, therefore, substantially larger than in the previous year. This called for a substantial stepping up of the tax effort. Turning to production trends, while in agriculture there was a decline in 1962-63 compared with the high level attained in 1961-62, resulting in reduced availability of some essential articles of consumption, industrial production continued its upward trend. The overall rate of growth was not, however, commensurate with earlier expectations, and attention was sharply focussed on this in the review that was made in the middle of the year of the progress of the Plan as a whole. Considerable thought was, therefore, given to the problem of accelerating the rate of economic growth. It was recognised that improvements had to be effected in the implementation of the agricultural programme and in the execution and working of many public sector undertakings. The fiscal and monetary situation was also reviewed and a number of measures were taken in the latter part of the year to revive the capital market, to stimulate investment and output, to extend social security and to provide such relief to the consumer as was consistent with the claims of defence and development.

The Budget for 1963-64

2. Defence expenditure in 1962-63 was Rs. 505 crores according to Revised Estimates, representing an increase of Rs. 192 crores above the level in 1961-62. The Budget for 1963-64 made a provision for a further and substantial increase to a total of Rs. 867 crores. In accordance with the decision of the National Development Council, the development programme was strengthened alongside the increase in defence expenditures and the Budget made a provision for increasing the outlay on the Plan from Rs. 1,414 crores to Rs. 1,654 crores. A very considerable tax effort was needed to provide for the increased outlays and the Central and State Budgets sought to raise Rs. 334 crores through additional taxation and increases in railway fares and freights and postal charges. The Budget envisaged that the increase in Government expenditure would be financed primarily by additional tax revenues and efforts to mobilise private savings through market borrowings, small savings collections, etc. Nevertheless, the budgetary deficit was estimated to be Rs. 181 crores at the Centre, though every effort was to be made to reduce this.

3. The substantial rise in taxation was designed not only to raise revenue but to discourage in particular the consumption of items which had to be imported or for which an increase in demand was expected in the wake of the defence effort. It is noteworthy that as a result of the increase in taxes on kerosene, for instance, the rising trend in consumption which had to be met by imports was checked, giving relief to the balance of payments.

4. In some respects, the budgetary provision for expenditure at the Centre had to be increased in the course of the year. The provision for Central assistance to the States for their plans, for example, was raised from Rs. 400 crores to Rs. 450 crores in October, 1963 and a further increase of Rs. 15 crores had to be sanctioned subsequently. On the side of receipts, while tax collections have been higher than expected, market borrowings were somewhat lower than envisaged in the Budget Estimates. The increase in the rates of return and the liberalisation of the limits of individual subscriptions stimulated small savings, net collections of which amounted to Rs. 71 crores in the first nine months of 1963-64 as against Rs. 30 crores in the corresponding period of 1962-63. Altogether, when the fiscal situation was reviewed towards the end of 1963, it was reckoned that, allowing for likely shortfalls in expenditure, the budgetary deficit of the Centre would be lower than the Budget estimate of Rs. 181 crores.

Production Trends

5. Agricultural production as a whole declined by 3·3 per cent in the 1962-63 crop season. The output of rice fell by 2·8 million tonnes or 8 per cent, and of sugarcane and wheat by about 7·5 per cent each. The state of agricultural production in 1962-63 was relevant for the supplies, in the earlier part of the year, of consumer articles as also of raw materials for several important industries. The cotton crop had recovered from the low level of the previous year and had reached 5·3 million bales in 1962-63; and the total production of cloth during the first half of 1963-64 was 3,468 million metres as against 3,399 million metres in the second half of the previous year. Although jute and mesta production declined, the production of jute manufactures increased since adequate stocks of jute were available and foreign demand was satisfactory. The decline in sugarcane production and the diversion of cane to the manufacture of gur and khandsari led to a sharp fall in the output of crystal sugar.

6. The availabilities of power and transport and of basic materials such as coal increased and shortages were relieved. Electricity generated was higher by 16 per cent in the first half of 1963-64 as compared with the corresponding period of 1962-63. The goods traffic carried by the railways went up by 10 per cent. The production of steel reached full capacity level towards the end of 1962-63 and aluminium output rose as a result of substantial additional capacity coming into production. The marked increases in the production of coal and cement achieved in the second half of 1962-63 were on the whole maintained, though demand for the latter continued to be in excess of supply. Machine tools, electrical machinery, transport equipment such as railway wagons and trucks and other items of capital equipment were produced in larger quantities. In engineering industries, increases in output were facilitated by increased indigenous content of production. Altogether, industrial output in the first half of the year under review showed an increase of 8·5 per cent over April-September 1962. These trends are expected to continue in the second half of the year also, and industrial production during 1963-64 as a whole should show an increase comparable to that in the previous year.

Price Trends and Short-term Policy Measures

7. The decline in agricultural production and the consequent scarcity of supplies of consumables had begun to exert a pressure on prices during the early months of 1963. Accordingly, apart from limiting the scale

of deficit financing, the Budget for 1963-64 had avoided large increases in indirect taxation on items of mass consumption which were produced domestically. Even so, there has been a steady upward pressure on prices in general over most of the year. Sugar prices had started rising from January 1963 and rice prices which had declined between October 1962 and March 1963 by 3 per cent went up between April and October 1963 by as much as 17½ per cent. The rise in rice prices was particularly sharp in West Bengal and Madhya Pradesh where the production of rice had shown a large decline. There was also a marked increase in rice prices in Orissa and Maharashtra and, later in the year, in Andhra Pradesh, Madras and Kerala.

8. The situation was sought to be met by larger releases of rice and wheat from Central stocks to the States affected by the scarcity and by an increase in the number of fair price shops and consumer cooperatives. Larger imports of rice were also arranged. In the case of sugar, price and distribution controls were re-imposed in April 1963.

9. The normal seasonal tendency for wholesale prices in general to decline over the second half of the fiscal year has not been in evidence during the current year. The wholesale price index (1952-53=100) which had reached 136 at the end of October 1963 declined to 134 by the end of November, but it rose again in December and on January 25, it was 137. Rice prices have indeed declined since October—on an average by 8·5 per cent, the decline being marked in particular States where a sharp increase had occurred earlier. Even so, by the end of January 1964 they were 10 per cent higher than a year ago. Edible oil prices have fallen and gur prices have also shown a sharp decline since October. It is disturbing, however, that there has been a marked increase in prices of wheat, inferior cereals like jowar and of cotton in recent months.

10. The rise in the price level has been a matter of major concern throughout the year. To give relief to the lower income groups, the Compulsory Deposit Scheme was withdrawn in September 1963 so far as non-income tax-payers were concerned. There was an increase in pensions and a liberalisation of the terms of the Family Pension Scheme for Government employees in addition to compensation for the rise in cost of living. A number of steps are also being taken to reverse the rising trend in prices. In view of the expected larger crop of rice, Government have decided to step up the procurement programme with the object of building up a substantial stock. State Governments have been advised to stipulate margins to be maintained by traders and also to regulate trading practices through more effective supervision and inspection of trade transactions. Restrictions have been imposed on the movement of cotton in some areas and imports are being arranged. While these remedial measures are being taken, it is becoming increasingly clear that the primary approach to price stability has to be in terms of stimulating production and productivity.

Measures to Stimulate Production

11. The assurance of a fair minimum return has in recent years been recognised as being necessary to secure higher levels of agricultural production. The price support and buffer stock schemes for raw jute had resulted in increased output in 1961-62 and a comfortable stock position since then. During the year under review, minimum prices of wheat and procurement prices of rice were raised. Minimum prices of

jowar were also fixed for the first time, thus extending the coverage of the price support schemes to major food and commercial crops. In order to encourage the cultivation of sugarcane and improve the yield and quality, the minimum prices of sugarcane were increased. Fiscal incentives were also given to factories to stimulate larger production of sugar during the 1963-64 season.

12. Considerable attention has been given to the intensification of agricultural programmes since the Emergency. The "package" approach was extended to the production of important commercial crops in view of the increasing requirements of industry and exports. In July 1963 an Agricultural Refinance Corporation was set up to facilitate medium and long-term credit for the development of agriculture and allied activities.

13. Reappraisal by the National Development Council of the Third Five-Year Plan in November 1963 indicated that a concerted drive was necessary to achieve the 5 per cent annual rate of growth visualised at the beginning of the Plan and that improved organisation was required particularly in the field of agriculture. Following this reappraisal, an Agricultural Production Board, with the Central Ministers and a Member of the Planning Commission as members, was set up to ensure an integrated approach in matters of agricultural policy.

14. Both fiscal and price policies were employed to stimulate production in priority industries. An increase in price for additional production was allowed in 1962-63 to the cement industry as a result of which it was able to maintain high levels of production during the current year. The development rebate for the coal industry was increased from 20 per cent to 35 per cent with a view to encouraging investment and output. While the basic import duties on machinery were raised, concession was given for coal mining machinery and fertiliser manufacturing equipment.

15. There has been increasing recognition of the fact that while a measure of control over basic items in short supply is necessary in a planned economy, it is equally important to ensure that basic industries secure returns adequate to finance expansion and to attract capital which would otherwise go into non-priority industries. Apart from this, controls in actual operation over a long period do not always serve the purposes for which they were set up so that a continuing examination of the operation of controls is an important task of policy. In keeping with these considerations, price and distribution controls on 16 commodities including rayon yarn, staple fibre, various chemicals, soap and natural rubber were removed during the year. The problems of steel, coal and electricity have naturally called for more detailed examination. A committee of economists has reviewed the operation of the distribution and price controls on steel. The question of adjusting electricity tariffs in order to secure an adequate return on power generation and the need for revision of coal prices have been examined by inter-departmental committees. The recommendations of these committees are under consideration.

16. A number of steps to improve industrial efficiency and speed up the process of development were taken. In the public sector, measures were adopted to strengthen management and expedite decision making. The procedures with regard to the control of expansion of industrial capacity in the private sector were simplified. Arrangements were made

to take prompt decisions on proposals submitted by potential foreign investors. The exemption limit for licensing under the Industries (Development and Regulation) Act was raised to Rs. 25 lakhs of fixed assets and capital issues below this amount were also freed from control. A committee of non-officials and officials recommended a revised procedure for considering applications for establishing capacity in certain key industries, and its proposals were accepted by Government. At the same time, the laws relating to banking and company operations were amended to provide safeguards against the concentration of economic power and against malpractices in business administration.

17. There had been a slackening in the raising of fresh capital and in the starting of new projects by private industry after the Emergency. While the foreign exchange required for import of equipment, components, etc. remained scarce, in the case of projects for which foreign exchange had been arranged, difficulties of rupee finance needed to be removed. Steps were therefore taken towards the end of the year to stimulate the flow of savings into industries of high priority. In order to enable priority projects to move forward, additional financial resources were made available by Government to the IFC and the ICICI, and as a measure of immediate relief it was announced that no premia for Emergency Risk Insurance would be collected during January-March 1964.

18. As longer term measures, a Unit Trust was set up to channel small savings into industrial investment and Government announced that a Development Bank would be established to finance private industrial expansion. The Bank will coordinate the activities of existing financial institutions and give assistance for the promotion of key industries as also industries requiring special assistance.

Monetary Trends

19. In the slack season of 1963 there was an unusually large contraction of bank credit to the private sector. Government borrowings from the banking system were significantly larger than in the previous year and money supply with the public increased substantially. The deposit resources of the banking system expanded; but time deposits increased less than demand deposits, partly as a result of the offer by non-financial institutions of high rates of return on funds deposited with them. After a review of monetary trends, a modification was made in the Reserve Bank's policy in regard to accommodation to the scheduled banks to enable them to meet the genuine credit needs during the busy season.

20. The expansion of bank credit to the private sector during the first two and a half months of the current busy season (November to mid-January) was substantially larger than in the corresponding period of the previous year whereas Government borrowings from the banking system have been significantly smaller. In part, the larger credit creation for the private sector reflected the expected increase in agricultural production and the replenishment of stocks which, in all probability, were run down during the previous year. It will, nevertheless, be necessary to keep a careful watch on credit trends with a view to ensuring that credit expansion does not lead to speculative hoarding of commodities. The accent of monetary policy will also necessarily have to be on realistic interest rates which reflect adequately the real cost of capital to the economy.

Balance of Payments

21. A major task of policy in recent years has been to conserve scarce foreign exchange resources and to secure progressive increases in export earnings. The budget for 1963-64 had, as noted earlier, increased import and excise duties with a view to curtail the consumption of commodities which were chiefly imported. The increase in direct taxation was accompanied by concessions in respect of exports. The gold policy of Government has also been directed towards conservation of foreign exchange which financed the smuggling of gold and while some features of the Gold Control were eased to meet the transitional problem arising from the unemployment of goldsmiths, there can be no slackening of the effort to discourage the use of gold in the country.

22. These and other measures have resulted in a degree of improvement in the balance of payments position during 1963-64. The level of sterling balances at the beginning of 1963-64 was about the same as at the beginning of 1962-63 and it is expected that the position at the end of 1963-64 would be no worse. There is, however, one major improvement in 1963-64 as compared with 1962-63. In 1963-64, India will have repaid a part of its drawals from the International Monetary Fund, while in 1962-63, it had actually borrowed from the International Monetary Fund.

23. The increase in export earnings over the previous year has been a major factor contributing towards this improvement. During April-November 1963, export earnings were Rs. 512 crores, *i.e.* Rs 56 crores higher than in the corresponding period of the previous year and the rising trend in exports continues. On the import side, a higher proportion has been financed out of the external assistance which India receives from friendly countries. The improved utilisation is, in part, attributable to the delivery of plant and machinery ordered against earlier credits and in part due to a larger proportion of external aid being available in non-project form. It is important for the economy to speed up the utilisation of external assistance and a high-level committee was appointed to examine the problem. Its report is awaited.

24. Valuable as external assistance has been in promoting economic development and in achieving stability in the external balance, the growth in the external debt falling due for repayment over the next few years has become a matter of concern. The growing debt repayment burden underlines the paramount importance of strengthening the balance of payments as well as the need for avoiding arrangements for financing imports which result in short and medium-term payment liabilities and entail high interest charges.

Outlook and the Tasks Ahead

25. In the ultimate analysis, a lasting solution to India's major economic problems can be sought only within the framework of a rapidly expanding economy. The need for accelerating the pace of growth has become all the greater in the context of substantially larger defence requirements. At the same time, the acceleration of economic growth must be achieved in an environment of reasonable stability of prices if the levels of living at the most vulnerable points in the society are to be protected and raised and if the economy as a whole is to be freed progressively from dependence on external assistance.

26. There are indications that the rise in national income in real terms will be higher in 1963-64 than in the first two years of the current Plan. The potential for a rapid rate of development has been built up as a result of the investment and effort already made in the past. Advance action is also being taken in relation to some of the schemes to be executed during the Fourth Plan period. The favourable situation in regard to transport, power, and the like which exists now will have to be made full use of so as to push production and incomes to still higher levels during the remaining years of the current Plan. The paragraphs below indicate in brief the progress in basic sectors which is likely to occur as a result of present efforts and to suggest areas where further efforts will be necessary.

27. Agricultural output has been rising at an average annual rate of 3·5 per cent over the last 12 years. It would appear that significant returns are being secured from the investments in the agricultural sector. The increase in the utilisation rate of irrigation potential from 50 per cent in 1955-56 to 71 per cent at the end of the Second Plan and around 80 per cent in the current year, indicates that the capital investment is being more productively employed.

28. The gross irrigation potential of major and medium schemes is expected to rise by 6·8 million acres during the last two years of the Third Plan, as compared to an increase of 3·5 million acres during 1962-63 and 1963-64 and utilisation is expected to improve further. In 1964-65 an additional area of 3·2 million acres is expected to be brought under minor irrigation and soil conservation programmes should cover an additional area of 2·8 million acres. The substantial increase in supplies of fertilisers should also have an impact on agricultural output. The consumption of nitrogenous fertilisers (in terms of nitrogen) rose from 193,000 tonnes in 1960-61 to around 450,000 tonnes in 1963-64, and is expected to rise further to 570,000 tonnes in 1964-65 and 750,000 tonnes in 1965-66. The availability in adequate quantities of improved seeds has been important in raising output; and an additional area of 21 million acres is proposed to be brought under improved seeds in 1964-65. Similarly, supplies of pesticides, of bulk storage facilities and of credit for productive purposes will be substantially larger. Altogether, the flow of productive inputs to agriculture will be considerably higher, and the dependence on weather conditions should be further reduced.

29. That an expanding agricultural economy is essential to progress in other spheres is generally recognised. Without agriculture making its proper contribution, it would be difficult to secure the desired increase in national income, in savings or in exports; nor could costs and prices be held down to let development proceed smoothly. The success of an agricultural programme, however, depends ultimately on what happens at the farm level, on whether or not adequate arrangements exist to provide the individual farmers with the knowledge, the resources and above all the incentives needed for additional production. The intensive district development programmes and the package programmes for cotton, oilseeds and sugarcane provide a part of the answer to the organisational problem, and the creation of the Agricultural Production Board, the appointment of a Production Commissioner for commercial crops and the decision to deploy study teams to go into the problems of individual States are also important steps in the same direction. However, in the case of commercial crops like cotton, oilseeds and jute, where speedier progress has become imperative in the overall context, the time has come

to consider whether the existing machinery should not be further strengthened to ensure that these commodities receive the specialised attention that is needed to secure quicker results.

30. Among agriculture-based industries, the jute mills have been able to utilise the additional supplies of raw jute efficiently as a result of the modernisation of equipment. The progress of modernisation of the cotton textile industry has, on the other hand, been slow. The expansion of capacity, particularly for the production of yarn, and modernisation need to be undertaken speedily to meet the increase in demand for cotton cloth as a result of higher incomes and population growth and to improve the competitive position in export markets. While the equipment for this purpose may be imported to some extent, primary reliance will need to be placed on the expansion of textile machinery manufacture. In the case of sugar industry, expansion of capacity and modernisation can now be effected with indigenous equipment.

31. During the first three years of the Third Plan, power generating capacity has increased by 1·97 million KW, and as a result the power requirements of industry are being met fairly adequately, though there are localised shortages. The additions to capacity expected are 2 million KW in 1964-65 and 2·9 million KW in 1965-66; and as a result, power requirements should continue to be adequately met even with significantly higher rates of increase in industrial production. The inter-connection of major power systems in regional grids will help to even out supplies. In order to secure continuing expansion of power generation at around the rate likely to be achieved by 1965-66, projects to meet requirements in the early years of the Fourth Plan have been taken up in the current year. The power programme, particularly in the Bengal-Bihar area, will enable the use to be made of by-product coal from the coal washeries.

32. The Railways carried 194 million tonnes of originating traffic in 1963-64 and were able to meet in full the requirements of coal and steel industries. A further expansion of around 25 per cent is expected over the next two years, and goods traffic requirements should continue to be met. The increase in railway capacity is being achieved by larger production of wagons, increased use of diesel and electric locomotives and expansion and doubling of track. The expansion in the capacity for the manufacture of commercial road vehicles to 45,000 under projects now being implemented will also augment the availability of transport.

33. While mild steel production may rise only marginally during 1964-65, there should be a substantial increase to around 5·8 million tonnes of finished steel in 1965-66. The equipment for the expansion programmes of the public sector steel plants has already been ordered, and by 1967-68 the industry will have a capacity of 7 million tonnes of finished steel. The arrangements for financing the expansion plans of the private sector units are under consideration. A company has been formed for the implementation of the Bokaro Project. Certain categories of steel, and particularly flat products, will continue to be in short supply till additional production is available from Rourkela and from Bokaro. While progress in the field of special steels was initially slow, the projects under implementation should produce 50,000 tonnes in the last year of the Third Plan and 75,000 tonnes by 1967-68. Aluminium production, which was 42,000 tonnes in 1962-63, is expected to be around 73,000 tonnes by 1965-66.

34. The expansion of cement output is now based on the use of indigenous equipment. The capacity of the industry is expected to rise by more than a third during the next two years. The cement machinery manufacturing industry can now produce about ten standard cement plants of 200,000 tonnes each year. Reference has been made earlier to the manufacture of sugar plant. Capacity has also been installed for the manufacture of two paper plants per year with a capacity of producing 50 tonnes of paper per day.

35. The heavy machinery manufacturing projects in the public sector will produce equipment needed by the capital goods industries. The Heavy Engineering Corporation has ordered equipment worth around Rs. 67 crores for its heavy machine building, foundry forge, heavy machine tool and coal mining machinery projects, and machinery worth around Rs. 39 crores has arrived. Trial production has begun in the Heavy Machine Building Plant and the Mining Machinery Plant will be ready for commercial production in the coming year. While the Heavy Electrical Equipment Factory at Bhopal has expanded production, work has started on three more heavy electrical equipment manufacturing units; and the capacity for the manufacture of heavy electrical equipment from the projects under implementation is expected to amount to Rs. 20 crores in 1965-66 and Rs. 40 crores in 1967-68. Machine tool output will also rise; taking both public and private sectors together, the capacity resulting from projects in hand will be Rs. 25 crores in 1965-66 and Rs. 35 crores in 1967-68.

36. The petroleum refining capacity is expected to rise over the next two years from the current level of 6·8 million tonnes to 17·3 million tonnes. The Barauni Refinery will come into production during 1964-65. The erection of the refinery in Gujarat should be completed in 1964-65 and the Cochin unit should come into production in 1965-66. Plants for two more refineries are being examined as part of the advance action for the Fourth Plan. The expansion of the refinery capacity will make possible the development of a petro-chemicals industry, which will provide a base for the production of fertilisers, synthetic rubber, plastics and many other valuable products. Two petrol-chemical complexes are proposed to be established in the near future in Bombay and Gujarat. Taking account also of production which may be based on coal, the capacity for the manufacture of nitrogenous fertilisers (in terms of nitrogen), of projects completed or in hand will amount to 820,000 tonnes by 1967-68. In a number of other industries, there will be significant increases in output during 1964-65 as the value of indigenous and imported equipment installed during 1963-64 was much larger than in the previous year.

37. As a result of the expansion of capital goods output and of the production of import substitutes such as fertilisers and steel, the import content of economic development is expected to be reduced. Nevertheless, there is urgent need for further increases in export earnings, in order to permit larger imports of components and raw materials to make full use of industrial capacity and to reduce the dependence on external assistance. The increase in exports during the last two years, in spite of the failure of agricultural output to expand adequately and the strains resulting from the Emergency, has been noteworthy. Further increases in earnings from exports can be secured only if the increases in domestic production of the commodities marketable abroad are accompanied by a measure of restraint on their consumption at home. It should be possible to export commercial crops and their manufactures in larger quantities. The development of mining and transport facilities for iron

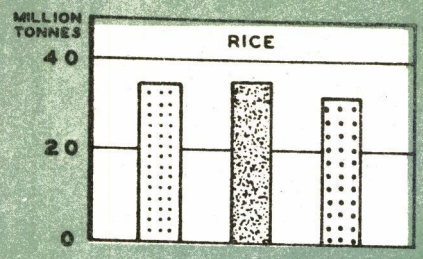
ore should also result in a substantial expansion of exports during the next two years. In the long run, engineering products can make an important contribution, but in the next two or three years, the additional amounts earned from such exports can only be modest.

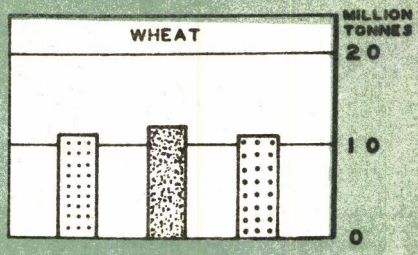
38. As already mentioned, there is also need for continuing vigilance in regard to prices. The current trend of wholesale and consumer prices reflects the growing pressure, to some extent inevitable in a developing economy, on supplies of foodgrains and other essential commodities. Not only is the consumer demand increasing, but with the rising standard of living, there is a shift in the pattern of consumption from coarse grains to rice and wheat and from coarse and medium cloth to fine and superfine cloth and art silk and rayon fabrics. While the ultimate solution to the price problem lies only in an increase in production, and an undue proliferation of controls of a kind which may impede growth must be avoided, continued action will be needed to avoid excess demand and to strengthen the framework of governmental regulation over the processes of distribution.

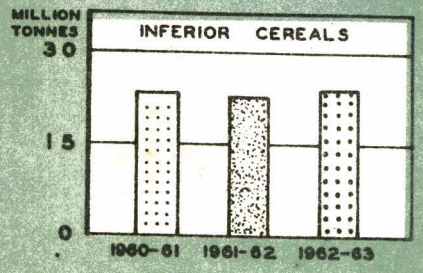
39. It needs to be recalled at this juncture that the rate of population increase, which was around 2 per cent per annum in the decade of the fifties has since been larger, and is now in the neighbourhood of 2·3 per cent. Therefore, even a moderate rate of increase in *per capita* incomes can be achieved only if full use is made of the potential for raising agricultural and industrial outputs. In itself, the steady decline in death rates which has been responsible for the higher rate of population growth is a matter for great satisfaction as it signifies an improvement in national well-being which is not fully reflected in—and is indeed obscured by—statistics of *per capita* incomes. Even so, with the rate of population increase approaching what is a very high level by any standards, the family planning programme has assumed the greatest of urgency and importance.

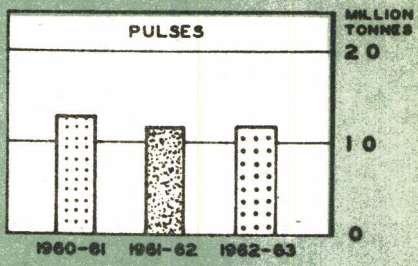
40. The overall picture is one of promise of rising growth rates in the basic fields of industry, though these rates at present are somewhat below the expectations in the Plan. It will be necessary in the months and years to come to strengthen the forces which contribute to higher levels of growth not only in industry but also, and more fundamentally, in agriculture.

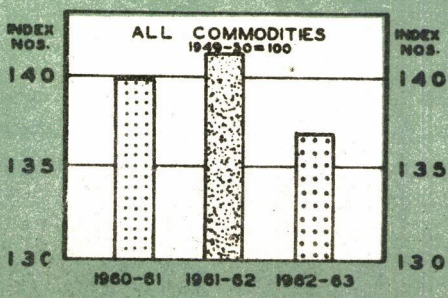
AGRICULTURAL PRODUCTION

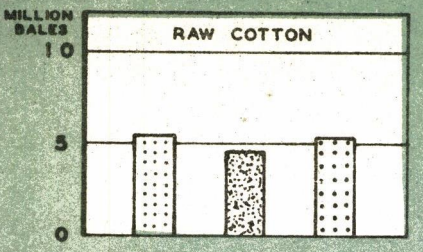


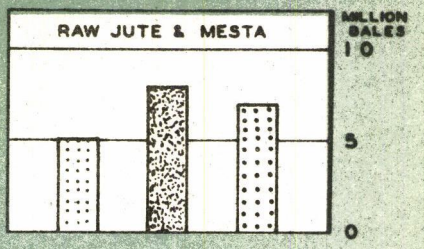


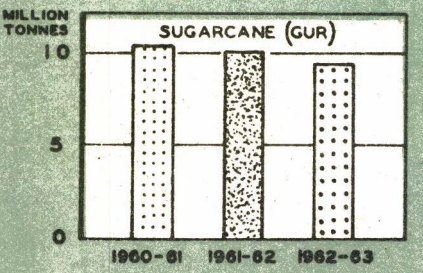


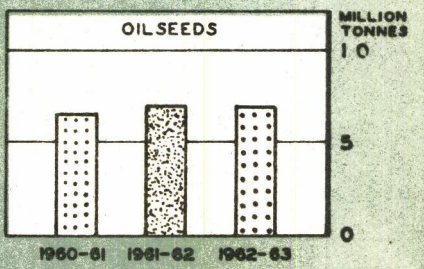












MINISTRY OF FINANCE, ECONOMIC DIVISION.

PART II

Agriculture

Agricultural production which had increased by 1·2 per cent in 1961-62 over the previous record level of 1960-61, declined by 3·3 per cent in 1962-63 on account of adverse weather conditions. There was a large decline in the production of rice and wheat, but the output of other cereals went up. The production of all major commercial crops, other than raw cotton declined. While raw cotton production regained the level reached at the end of the second Plan, raw jute output fell partly in response to the conditions of excess supply in the previous year. The decline in groundnuts and sugarcane was mainly on account of unfavourable weather. The following table sets out the trends in the production of major crops. (Details are given in Table 1·3 in the Appendix):

Agricultural Production

	Unit	1960-61*	1961-62*	1962-63**	Percent change† in 1962-63 over 1961-62
Rice	Million tonnes	34·2	34·8	32·0	—8·0
Wheat	Million tonnes	11·0	12·0	11·1	—7·5
Other cereals	Million tonnes	23·1	22.6	23·9	+6·2
Pulses	Million tonnes	12·7	11·6	11·7	+0·2
Foodgrains	Million tonnes	81·0	81·0	78·7	—2·8
Raw Cotton	Million bales‡	5·4	4·5	5·3	+17·7
Raw Jute and Mesta	Million bales††	5·1	8·0	6·9	—14·3
Sugarcane	Million tonnes of gur	10·6	10·1	9·4	—7·6
Oilseeds	Million tonnes	6·6	7·0	6·9	—1·2
Index number of agricultural production	1949-50=100	*139·7*	*141·4*	*136·8*	—3·3

*Partially revised estimates
**Final estimates
‡In bales of 392 lb each
†Based on figures in thousands
††In bales of 400 lb each

2. Rice production fell by 2·8 million tonnes from the record level of 34·8 million tonnes in 1961-62. While there was a good crop in the South, a sharp decline in output occurred in Madhya Pradesh, Orissa and West Bengal. Production of wheat also declined by 9 lakh tonnes, due to adverse weather conditions in Uttar Pradesh. Although there was a

notable increase in the output of jowar, bajra and other inferior cereals, production of foodgrains as a whole was 2·3 million tonnes lower in 1962-63 as compared with 1961-62.

3. The shortage of foodgrains resulting from the decline in production was in part made good by larger releases from Government stocks of rice and wheat. Imports of foodgrains in 1963 totalled 4·6 million tonnes as compared to 3·6 million tonnes in 1962. The total and *per capita* availability of foodgrains was slightly lower than in the previous year, but since there are some indications that private stocks were run down, the consumption of foodgrains may have been maintained at the previous year's levels. In the case of rice, imports could be increased only within limits, and the sharp decline in production resulted in a marked lowering in the total and *per capita* availability of rice despite a substantial drawing down of Government stocks.

4. There was a marked increase in the production of raw cotton in 1962-63. According to official estimates, production was 5·3 million bales, which was about the same as in 1960-61 and nearly 18 per cent above the 1961-62 level. Imports during 1962-63 (September—August) amounted to 8·4 lakh bales, and although yarn production increased, the cotton stocks with the mills and trade rose to 1·7 million bales. As a measure of reassurance to the growers, the minimum support prices for cotton were raised by 17 per cent in April 1963. The ruling prices for cotton were, however, nearly 30 per cent above the minimum support prices. During 1963-64, cotton output is expected to be good.

5. The output of raw jute and mesta declined by over a million bales in 1962-63, but supply was adequate in view of the stocks accumulated during the previous year. Government continued the policy of supporting raw jute prices at the operational minimum of Rs. 30 per maund (Rs. 80·38 per quintal) for the Assam Bottom variety. In addition to the purchases made by the Jute Buffer Stock Agency, the State Trading Corporation also gave support to the market during the year. The margin between the price received by the grower and that paid by the mills was sought to be reduced. During the current year, raw jute production has been good. Stocks were also substantial, amounting to 1·6 million bales at the end of October 1963. The requirements of the jute industry in the coming year should thus be fully met.

6. There was a fall of 7·5 per cent in the output of sugarcane in 1962-63, due partly to a reduction in area under cane in Uttar Pradesh and Bihar but largely to the adverse weather conditions that prevailed. The diversion of larger quantities of cane to the production of gur and khandsari, in response to the high prices of these commodities, resulted in a sharp decline in the quantities of cane crushed by the factories and in the production of sugar in Punjab, Uttar Pradesh and Bihar. To step up production of sugar in 1963-64, the basic minimum price of sugarcane was increased from Rs. 1·50 per maund in 1962-63 initially to Rs. 1·56 and subsequently to Rs. 1·75 per maund in respect of cane with a recovery of 9 per cent or less, with the provision that 1·5 nP. per maund would be added to the basic minimum price for every 0·1 per cent increase in recovery over 9·0 per cent. Factories located in certain areas of difficult cane supply on account of competition from gur and khandsari were permitted to pay a higher price of Rs. 2 per maund in case the minimum price according to the above formula worked out to

be lower than Rs. 2 per maund. Government also took powers to regulate the disposal of sugarcane by growers in order to ensure adequate supplies to the sugar factories. As a result of these measures, an increase in the production of sugar in 1963-64 is expected.

7. The policy of price support to agricultural products was extended during the year to jowar, and it now applies to major foodgrains and commercial crops. A minimum price of Rs. 24·12 per quintal of white variety (and Rs. 22·78 per quintal of yellow variety) was fixed for jowar; the minimum price of wheat was raised by Rs. 2·68 per quintal or 8 per cent and there was an increase of Re. 0·67 to Rs. 2·68 per quintal (or approximately 5 per cent) in the procurement prices of rice in most States. The prevailing prices of these commodities in most parts of the country were higher than the minimum prices. The increase in minimum prices was, however, considered desirable as a protection against undue fall in prices in some pockets in surplus areas.

8. The supply of fertilisers and of other agricultural requirements has been increasing from year to year. The total availability of nitrogenous fertilisers from domestic production and imports was 280 thousand tonnes (in terms of nitrogen) in 1961-62 and 350 thousand tonnes in 1962-63, and is expected to go up to 450 thousand tonnes in 1963-64. The use of irrigation facilities spread further, the additional area benefiting from irrigation being 26 lakh acres in 1961-62, 33 lakh acres in 1962-63 and an estimated 55 lakh acres in 1963-64. The utilisation of new irrigation facilities from major and medium schemes rose to 80 per cent of the potential in 1963-64 as against 74 per cent in 1962-63 and 71 per cent at the end of the Second Plan.

9. A number of steps were taken following the decision in November 1962 that special attention needed to be given to increasing agricultural output. The minor irrigation and soil conservation programmes were stepped up. The Central assistance for the States' agricultural programmes for 1963-64 has also been increased. Experience had shown that rapid increases in production could be secured if an intensive effort was made in the most productive areas instead of dispersing available resources over a wide field. "Package" programmes for increase in production of rice, millets, pulses, cotton and oilseeds were formulated The oragnisation for implementing the programme for commercial crops was strengthened.

10. In pursuance of a decision of the National Development Council in November 1963, an Agricultural Production Board was constituted consisting of the Central Ministers and the Member of the Planning Commission concerned with agriculture and allied activities. The Board will ensure an integrated approach in matters of agricultural policy, secure effective coordination between Central and State Government, review the progress of the development programmes and endeavour to remove any deficiencies.

11. While the average annual increase of agricultural output over the last twelve years has been about 3:5 per cent, the production in any given year is considerably influenced by weather conditions. The adverse weather conditions of 1962-63 had accounted for the decline in output in that year. During the kharif season of the current year, weather conditions on the

whole have been more favourable. The production of jute in 1963-64 has turned out to be 59 lakh bales as compared to 54 lakh bales last year. The cotton crop is also good, and the rice crop is expected to be better than in the previous year.

Industrial Production

12. There was a further increase in industrial production during the year under review. Substantial increases occurred in the output of basic and producer goods industries; consumer goods industries did not do as well. There were significant additions to industrial capacity during the year.

13. The index of industrial production rose by 6·6 per cent in 1961-62 and by 8 per cent in 1962-63. There was a marked increase in production in the second half of 1962-63, the increase in comparison with the corresponding period of 1961-62 being 8·7 per cent. During April-September 1963, production was again 8·5 per cent higher than in April-September 1962. The following table shows the indices of industrial production for the last few years:

Index of Industrial Production

(1956=100)

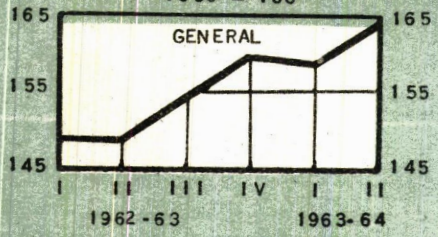
	1959-60	1960-61	1961-62	1962-63	1963-64
1st Quarter	113	127	139	149	159
2nd Quarter	119	126	138	149	164
3rd Quarter	122	139	141	154	
4th Quarter	127	139	148	160	
Annual Average	*120*	*133*	*142*	*153*	

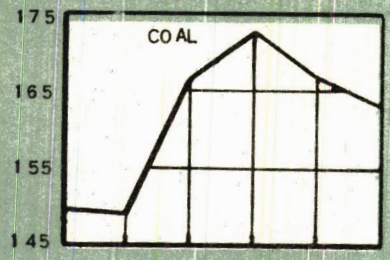
Note : Quarterly figures are seasonally adjusted.

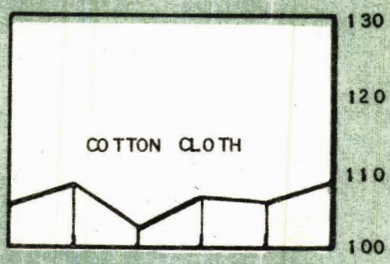
14. The overall increases in industrial production as measured by the above index depend primarily on the performance of the industries using agricultural raw materials, as these account for nearly half the weight in the index. In 1962-63, cotton textile output had declined in comparison to the previous year and this depressed the overall rate of growth of industrial production. The fall in output inspite of a comfortable cotton supply position was presumably due to slack demand for cloth. During the first half of 1963-64, cloth production increased in relation to the second half of 1962-63, although it was lower as compared with the first half of that year. There is some indication that for 1963-64 as a whole the output of cotton textiles will show an improvement over the previous year's level

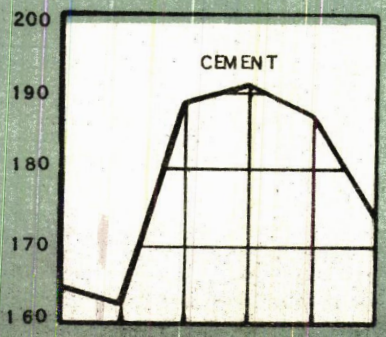
INDEX OF INDUSTRIAL PRODUCTION

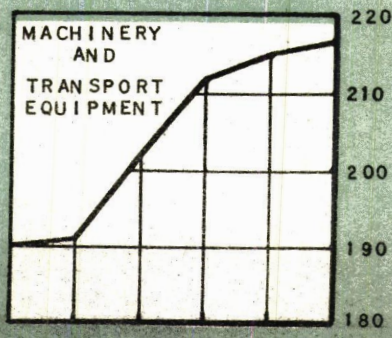
1956 = 100

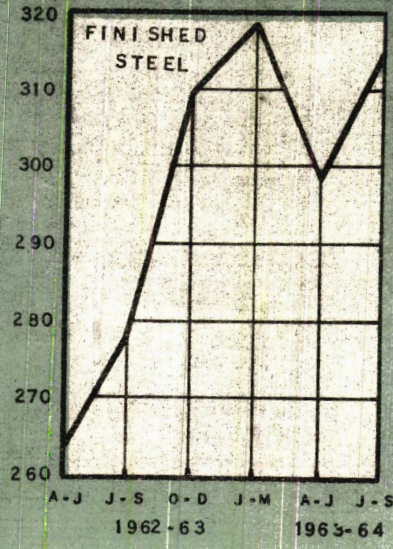


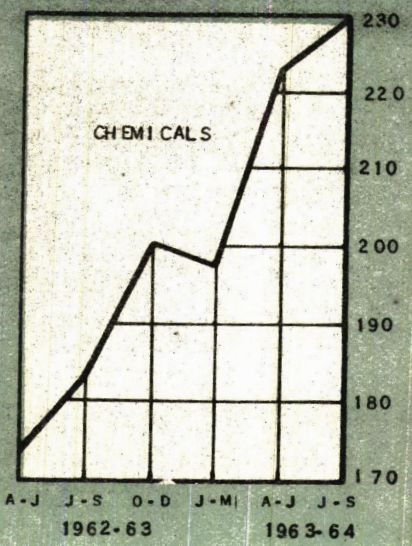












MINISTRY OF FINANCE, ECONOMIC DIVISION

particularly in the decentralised sector. Jute textile output had risen 20 per cent in 1962-63, reflecting the greater availability of raw jute and buoyant foreign demand. In the first half of 1963-64, there was a small increase in production over the high level of the previous year and output was maintained at a high level in the latter part of the year. The recent termination of the working time agreement should increase productive efficiency in the jute industry. Sugar production had declined substantially during the 1962-63 season, but is expected to be larger in 1963-64. Tea output particularly in north India has been affected by adverse weather conditions. Weather has, however, been favourable for the coffee crop and while production declined by 26 per cent in 1962-63, a substantial increase in output is likely in 1963-64.

Production in Agriculture-Based Industries

	Unit	1961-62	1962-63			1963-64* (Apr.-Sept.)	Percentage change in	
			Total	Apr.-Sept.	Oct.-March		1962-63 over 1961-62	1963-64 (Apr.-Sept.) over 1962-63 (Apr.-Sept.)
Cotton Cloth (Total)	Million metres	*7,115*	*6,928*	*3,529*	*3,399*	*3,468*	*—2·6*	*—1·7*
Mill sector .	,,	4,686	4,498	2,309	2,189	2,218	—4·0	—3·9
Decentralised sector .	,,	2,429	2,430	1,220	1,210	1,250	+neg.	+2·5
Jute textiles .	'000 tonnes	1,002	1,202	604	598	627	+20·0	+3·8
Sugar† .	Lakh tonnes	27	22	..	..	..	—18·5	..
Tea .	Million kgs.	348	343	233	110	228	—1·4	—2·1
Coffee .	'000 tonnes	67	49	21	28	29	—26·4	+37·3
Vanaspati .	'000 tonnes	336	366	175	191	185	+8·9	+5·7

*Provisional

†During the sugar season November-October

15. There were very substantial increases in the production of steel and aluminium during 1962-63. The high level of aluminium production reached at the end of that year was maintained during the current year and a further increase is expected in the case of steel. The larger output of wagons and of trucks resulted in the increase of 8·3 per cent in the production of transport equipment during 1962-63; the production of cars, however, declined as a result of lower allocations for the import of components. Further increases in railway wagons and truck output are likely in 1963-64 and there will be some improvement in the indigenous content of trucks. The increase in machinery outpur, especially the output of machine tools, during the first half of the current year is likely to continue in the second half also. The chemical products which account

for higher production in the first half of 1963-64 include ammonium sulphate, soda ash and caustic soda.

Output in Selected Industries

	Unit	1961-62	1962-63 Total	1962-63 April-September	1962-63 October-March	1963-64 (April-September)*	Percentage change in 1962-63 over 1961-62	Percentage change in 1963-64 (April-September) over 1961-62 (April-September)
Coal .	Million tonnes	55	64	30	34	33	+15·6	+10·4
Finished steel	,,	3·0	4·0	1·8	2·2	2·1	+33·3	+16·7
Aluminium (virgin metal) .	'000 tonnes	19·7	42·8	16·4	26·4	26·2	+117·3	+59·8
Cement .	Million tonnes	8·3	8·9	4·1	4·8	4·5	+7·2	+9.8
Electricity generation .	Billion kwh.	19·8	22·1	10·8	11·3	12·5	+11·7	+15·7
Chemicals .	Index : 1956=100	177	189	178	199	226	+6·8	+27·0
Metal products	,,	161	182	182	183	200	+12·8	+10·2
Electrical machinery .	,,	188	220	210	230	237	+16·8	+12·8
Other machinery	,,	272	295	274	316	364	+8·7	+33·1
Transport equipment	,,	132	143	142	145	141	+8·3	—0·6

*Provisional

16. During the year under review, the public sector industries made further progress. The production of Heavy Electrical Plant at Bhopal is expected to reach Rs. 70 million as against Rs. 30 million in 1962-63. The third factory of Hindustan Machine Tools at Pinjore in Punjab went into production in October 1963 and two other factories in Kerala and Andhra Pradesh are to be built. The production of machine tools by the Hindustan Machine Tools Limited is expected to be about Rs. 9 crores in 1963-64 in a total production of machine tools of Rs. 14·5 crores. The Heavy Machine Building Plant at Ranchi and the Coal Mining Machinery Plant at Durgapur were inaugurated in November 1963 and construction is in progress at the Foundry Forge Plant at Ranchi. Work has also started on the Heavy Machine Tool Plant. The development and construction work of the Kiriburu Iron Ore Mines was completed. Construction has also begun on three of the projects with the assistance of the U.S.S.R. *viz.*, the Antibiotics Plant at Rishikesh, the Synthetic Drugs Plant at Hyderabad and the Surgical Instrument Plant at Madras.

Steel

17. The output of steel ingots rose from 4·3 million tonnes in 1961-62 to 5·4 million tonnes in 1962-63 and to an annual rate of 6 million tonnes in April-September, 1963. The producer-wise breakdown of steel production was as follows:

Production of Steel Ingots

(million tonnes)

Producers	1961-62	1962-63	1963-64 (April-September)
TISCO	1·63	1·80	0·94
IISCO	0·93	1·00	0·51
Bhilai	0·79	1·06	0·56
Durgapur	0·46	0·73	0·47
Rourkela	0·35	0·70	0·46
Mysore	0·05	0·05	0·02
Others	0·05	0·06	0·03
TOTAL	4·26	5·40	2·99

18. The production in the second half of 1963-64 was at around the same level as in the first half. Further increases in production will be possible only when additional capacity is installed. By the end of the year, orders will have been placed for the equipment needed for the expansion programmes of the public sector plants. The private sector steel producers have drawn up expansion schemes and arrangements for financing these are being negotiated.

19. Certain categories of steel, and particularly flat products and special steels, continued to be in short supply. The requirements of special steels, which had increased due to the rise in machinery production, had to be met, as before, almost entirely through imports. Total imports of steel amounted to 11 lakh tonnes in 1961-62 and 9 lakh tonnes in 1962-63; in 1963-64, imports are likely to be somewhat higher than in the previous year.

20. For increasing the output of special steels, the conversion of the Mysore Iron and Steel Works for production of 74,000 tonnes per annum was approved by Government. Orders have been placed for a public sector plant at Durgapur and certain projects in the private sector are

also going forward. The schemes covered by external assistance so far will result in the establishment of 50,000 tonnes of capacity by the last year of the Plan and of 75,000 tonnes of capacity by 1967-68. Progress in this field has been relatively slow.

21. While the supply of pig iron to foundries was stepped up to 1·2 million tonnes, the demand also rose and amounts to around 2 million tonnes. Arrangements are being made for import of small quantities. Schemes have been approved in the private sector for the establishment of additional capacity, and plans are also being drawn up for larger production of pig iron in the public sector plants, to be utilised at a later stage for conversion into steel.

Coal and Power

22. Although there was an improvement in the supply and in the arrangements for transport of coal during the first half of 1962-63, the overall position was difficult in relation to requirements. Arrangements were made for the substitution of oil for coal by some cement factories and power houses in areas distant from the mines and for a greater use of coastal and, to some extent, road transport. In the latter half of the year (October 1962-March 1963) aggregate output of coal rose substantially, being 34 million tonnes as against 30 million tonnes during the preceding half year. Demand in the last few months, however, has been less than anticipated. As a result, stocks at pitheads and with industries have increased somewhat. Nevertheless, during 1963-64 as a whole, output may be around 66 to 67 million tonnes *i.e.*, 2 to 3 million tonnes more than in 1962-63. The following table shows the trends in production:

Coal Production

(million tonnes)

	1961-62	1962-63			1963-64 (April-September)
		Total	April-September	Oct.-March	
Private sector . . .	46·3	52·2	24·7	27·4	26·8
N.C.D.C. . . .	6·1	8·4	3·6	4·8	4·6
Singareni . . .	2·8	3·2	1·5	1·7	1·6
TOTAL . .	55·2	63·8	29·9	33·9	33·0

23. During the current year, the railways were able to move considerably larger quantities of coal and transport was no longer a limiting factor in the availability of coal to industry. The daily average loadings of wagons from the West Bengal/Bihar region increased from 5,000 in

April-September 1962 to 5,600 in the same period of 1963. The following table gives figures of coal movement:

Movement of Coal

(million tonnes)

	Total Despatches			Movement by the rail-*cum*-sea route
	West Bengal/ Bihar coal-fields	Out-lying fields	Total	
1961-62 :				
April-September	19·7	5·6	25·2	0·7
October-March	20·0	5·6	25·6	0·8
TOTAL	39·7	11·2	50·9	1·5
1962-63 :				
April-September	21·2	6·0	27·2	1·0
October-March	22·6	7·1	29·7	1·0
TOTAL	43·8	13·1	56·9	2·0
1963-64 :				
April-September	22·2	7·1	29·3	1·0

24. The increase in production was, however, in the medium and lower grades and there was actually a decline in the supply of higher (selected) grades. One of the reasons for this was the downward regrading of certain seams. The grade-wise output of coal was as follows:

Grade-wise production of coal

(million tonnes)

Grades	1961-62	1962-63			1963-64 (April-September)
		Total	April-September	Oct.-March	
Selected A and B	*16·6*	*14·9*	*7·6*	*7·3*	*6·9*
Coking	6·4	5·9	3·1*	2·8*	2·7*
Non-coking	10·2	9·0	4·5	4·4	4·2
Others (including coking coal of grades I and II)	*38·7*	*49·0*	*22·3*	*26·7*	*26·1*
TOTAL	*55·2*	*63·8*	*29·9*	*33·9*	*33·0*

*The new grades A, B, C, D and E have been taken as equal to the old selected A and B grades for the period July 1962 to September 1963.

The shortage of selected grades of coal, therefore, persisted. With the increase in coal washing capacity, the quantity of washed coal increased from 1·8 million tonnes in April-September 1962 to 2·9 million tonnes in the same period of 1963. Arrangements have been made for the installation of the coal-washing capacity envisaged in the Plan, but progress has been slow.

25. The grade-wise classification of coal had been revised in 1962-63 with a view to introduce an ash differential of one per cent between the various grades. There have been periodic price adjustments to promote the output of the superior grades. Further proposals with regard to price adjustments are under consideration.

26. The requirements of imported equipment for the private sector mines will be financed from the loan of $ 35 million from the IBRD. The utilisation of the loan had been slow, but ordering of equipment was encouraged by the reduction of the import duty on coal-mining machinery and components to a uniform rate of 15 per cent. The development rebate available to the industry was raised from 20 per cent to 35 per cent on new mining machinery installed between 1963-64 and 1965-66. Government undertook to give a partial guarantee on loans by credit institutions to the private sector coal industry. The Reserve Bank of India provided additional assistance to commercial banks which provided finance. So far, orders have been placed for equipment worth Rs. 13 crores against the IBRD Loan of Rs. 17 crores. The public sector collieries have also made substantial progress with regard to the ordering of equipment. The planned output of heavy mining machinery in the country will assist the growth of the coal industry.

27. The requirements in the last year of the Plan have now been re-estimated and it is anticipated that while, for the next few years, both aggregate coal output and transport facilities will be adequate to meet demands, the main problem will be one of ensuring sufficient supplies of superior grades and of washed coal.

28. The progress in power development during the first three years of the Third Plan was as follows:

Power: Installed Capacity

At the end of	Capacity (million kw.)	Annual percentage increase
1960-61	5·6	16
1961-62	6·0	8
1962-63	6·7	11
1963-64 (anticipated)	7·6	13

29 The progress in the first two years of the Third Plan was relatively slow partly because of the cut-back in the power programme due to the

foreign exchange shortage in the middle of the Second Plan. During the current year, a significant increase in capacity is expected. According to the estimates of the maximum demand and firm capacity likely to be established by the end of the year, there will be no deficit in the Western region and only small deficits in some of the States in the Northern and Eastern regions. In the South, however, there would be some shortage of power. Orders have been placed to cover not only the Third Plan generating capacity but also some Fourth Plan schemes. A considerable volume of equipment for the transmission and distribution of power, however, remains to be ordered, and this requirement is being given high priority. It is expected that the electricity generation target of 45 billion kwh. by 1965-66 will be reached, although in terms of installed capacity there may be a slight shortfall in relation to earlier anticipation. The regional shortages are expected to be mitigated by diversion of surplus power from the neighbouring areas through the construction of inter-State grids.

30. The Electric Power Survey Committee, which completed its first survey in July 1963, has provided a broad picture of the power requirements in different parts of the country over the next few years. A major recommendation of the Committee is the establishment of Regional Grid organisations for effective planning, development and co-ordination of future generating and transmission capacity. Three Regional Electricity Boards have been decided upon so far, one in the Northern region (comprising the States of Jammu and Kashmir, Himachal Pradesh, Punjab, Delhi and Rajasthan), one in the South (comprising the States of Madras, Andhra Pradesh, Mysore and Kerala) and another in the Eastern region (Bihar, Orissa and West Bengal). The operation of these Boards should, apart from reducing the need for stand-by capacity, help secure a fuller and more economical use of the power supplies available in the respective regions.

Railways

31. In 1962-63, originating tonnage lifted by the Railways rose by 11 per cent and a further increase of about 9 per cent is anticipated in 1963-64. The bulk of the increase in goods traffic was in respect of raw materials and finished products for the steel industry and the requirements of the coal and steel industries and of other goods traffic were met in full in 1963-64. The outstanding registrations for wagons for general goods traffic have fallen as compared to earlier years. At the end of 1963 the indents on the broad gauge were equal to 2½ days' loading and those on the metre gauge somewhat under 3 days' loading. The following table sets out the increase in goods traffic:

Year	Originating traffic (million metric tons)	Annual percentage increase
1961-62	160	2·8
1962-63	179	11·4
1963-64	194 (Estimated)	8·5

32. The increase in tonnage carried was made possible because, among other things, of the higher output of railway wagons, which rose from

19,100 in 1961-62 to 26,000 in 1962-63 and about 32,000 in 1963-64. There has been good progress in the manufacture of many types of railway equipment and the foreign exchange content of the railway programme is expected to be about 18 per cent in the Third Plan period as against 30 per cent during the Second Plan.

33. Apart from the increase in rolling stock, progress in the electrification and dieselisation has also helped improve the transport situation. Against the target of electrification of 2,400 route kilometres, 868 route kilometres were commissioned during the first two years of the Plan and another 980 are expected to be commissioned by the end of the next year. The proportion of goods traffic hauled by diesel and electric locomotives increased from 21 per cent of the total in 1962-63 to 29 per cent during April-November 1963.

34. Although the transport requirements of the steel plants will be less, the originating traffic expected to be carried in the last year of the Plan has now been estimated at 245 million tonnes. The railway programme, however, provides for capacity adequate for carrying 260 million tonnes. The goods traffic in terms of tonne-kilometres in 1965-66 is expected to be at the level originally envisaged in the Plan, as the movements of general goods involving longer leads will be larger.

Budgetary Transactions

35. The estimated expenditure according to the Budgets of the Central and State Governments during 1963-64 is Rs. 717 crores larger than that for the previous year; this compares with the increase of Rs. 632 crores in 1962-63 (according to Revised Estimates) over 1961-62. The acceleration was primarily caused by the increase in defence expenditures. From Rs. 313 crores in 1961-62, the expenditure on defence went up to Rs. 505 crores in 1962-63 (Revised Estimates) and during the current year the Budget has provided for an outlay of Rs. 867 crores. The budgeted increase in defence expenditures was thus Rs. 362 crores. Expenditure on the Plan was increased by Rs. 240 crores; and on developmental items outside the Plan by Rs. 59 crores, of which Rs. 38 crores represented increased provision for building buffer stocks of foodgrains. In brief, the increase in development and defence outlays accounted for nearly 92 per cent of the increase in Central and State outlays for 1963-64.

36. An increase in budgetary expenditures of this order would normally put considerable strain on the real resources of the economy. To avoid inflationary consequences, Government sought to cover as large a proportion of the increase in outlay as possible by augmenting current receipts. The Central Government sought to raise a sum of Rs. 258 crores through additional taxation, another Rs. 21 crores was expected to be realised from the increase in railway fares and freights and post and telegraph charges, and Rs. 20 crores from inter-State sales tax. The States introduced proposals which would yield Rs. 35 crores for the year. Altogether the fresh imposts were expected, according to the Budget proposals, to add Rs. 334 crores to the Central and State revenues, covering over 90 per cent of the increase in defence outlays. The overall deficit in the Central and State Budgets was kept down at Rs. 179 crores. This was lower than the Revised Estimate of Rs. 209 crores for 1962-63 and somewhat higher than the actuals for that year of Rs. 132 crores. The

following table gives the details of Government outlays and their financing:

Budgetary Transactions of the Central and State Governments

(Rs. crores)

	1961-62	1962-63 (R.E.)	1963-64 (B.E.)
I. *Total Outlay*	*2808*	*3440*	*4157*
(*a*) *Development**	*1872*	*2203*	*2502*
1. Plan	1130	1414	1654
2. Non-Plan	742	789	848
(*b*) *Non-development***	*936*	*1237*	*1655*
1. Defence (net)	313	505	867
2. Interest on public debt§	134	160	178
3. Tax collection charges	67	74	77
4. Police	110	128	140
5. Others	312	370	393
II. *Current Revenues*	*1942*	*2175*	*2682*
(*a*) Tax Revenue	1543	1731	2126
(*b*) Non-Tax Revenue†	399	444	556
III. *Capital Receipts (net)*	*778*	*1056*	*1296*
(*a*) *Internal*	*509*	*651*	*772*
1. Market loans (net)††	147	201	200
2. Small Savings, Prize Bonds, Premium Prize Bonds and Gold Bonds (net)	91	97	112
3. Provident Funds and Compulsory Deposits (net)	54	58	90
4. Miscellaneous Capital Receipts (net)	217‡‡	295	370
(*b*) *External*	*269*	*405*	*524*
1. External loans (net)	217	329	411
2. Foreign grants	34	66	53
3. P.L. 480 Investments in Special securities (net)‡	18	10	60
IV. *Overall budgetary deficit*	*88*	*209‡‡*	*179‡‡*

*Includes Plan expenditure of Railways and non-departmental undertakings out of their own resources as well as loans by the Central and State Governments to local bodies, non-departmental commercial undertakings (including Electricity Boards) and other parties.

**Excludes transfers to Special Development Fund and other funds.

§Exclusive of interest transferred to Departmental Commercial undertakings.

†Includes contributions of the Railways and non-departmental undertakings for the Plan.

††Includes borrowings by State Electricity Boards.

‡Excludes transfer of P.L. 480 funds from the State Bank of India which is taken as internal receipts under Miscellaneous Capital receipts.

‡‡Includes sale of treasury bills to parties.

37. After the presentation of the Budget, an additional sum of Rs. 65 crores has been given to the States to cover speedy implementation of certain Plan projects and a sum of Rs. 11 crores was voted as a supplementary demand by Parliament in November 1963 to finance defence expenditure not provided for in the Budget estimates.

38. As the Compulsory Deposit Scheme was withdrawn for the categories other than income-tax payers and premium rates under the Emergency Risk Insurance Scheme had been progressively lowered with no collections during January-March 1964, receipts will be less than provided for in the Budget. The actual net borrowing against market loans will be only Rs. 146 crores, as against the Budget provision of Rs. 174 crores. Receipts against external assistance are likely to be somewhat lower than in the Budget (although they would be higher than in 1962-63). On the other hand, collections from indirect taxes may accord with Budget estimates, and direct tax collections are expected to be higher. Small savings receipts have risen substantially. During the first nine months of the year, the net collections from small savings amounted to Rs. 71·16 crores as against Rs. 30·27 crores in the corresponding period of last year. Subscriptions to National Defence and Defence Deposit Certificates have been large and the deposits in the Post Office Savings Bank have also increased. On the whole, the overall deficit for the year, on account of the budgetary transactions of the Central and State Governments taken together, may be somewhat lower than provided for in the Budgets for 1963-64.

Monetary Trends

39. During the current financial year, upto 17th January 1964, money supply with the public increased more than in the corresponding period of the previous year. Government borrowings from the banking system were larger; commercial bank lending to the private sector was, however, slightly smaller. The improvement in export earnings and the increased use of external assistance led to a small increase in the foreign assets of the Reserve Bank, whereas in the comparable period of the previous year there was a large decline. This also contributed to the larger increase in the money supply during the current financial year.

40. During the first seven months of the current fiscal year, most of which was the usual slack season, there was a large contraction in bank credit to the private sector in contrast to a small rise in the previous year. Government borrowings from the banks were, on the other hand, substantially larger. The increase in demand deposits was larger than that in time deposits partly in response to the attractive rates of return offered by institutions other than banks. Since the onset of the busy season in November, the credit extended by the banks to the private sector has increased substantially; Government borrowings from the banks have, however, been less than in the corresponding period of the previous year. The expansion of credit to the private sector for productive purposes was facilitated by a modification at the end of October in the Reserve Bank's policy in respect of lending to commercial banks. Legislation was also passed to regulate acceptance of deposits by non-banking institutions and to enable the Reserve Bank to regulate their operations. The following table shows

the factors which contributed to the changes in money supply in 1962-63 and 1963-64 :

	Rupees crores			
	1962-63		1963-64	
	March 31 to October 26	October 27 to January 18	March 31 to October 25	October 26 to January 17
1. *Net bank credit to Government*	+19	+110	+262	+72
(*a*) Reserve Bank's net credit to Government	+19	+150	+93	+123
(*b*) Banks' holdings of Government securities*	+120	—40	+169	—51
2. *Net bank credit to the private sector* (2*a*—2*b*).	—104	+95	—177	+190
(*a*) Bank advances and holdings of private securities (gross bank credit)	+18	+92	—80	+181
(*b*) Banks' time deposits*	+122	—3	+97	—9
3. *Net foreign exchange assets of the Reserve Bank*	—48	+2	—1	+5
4. *Money supply with the public*	—18	+155	+114	+240
(*i*) Currency with the public	—24	+128	+4	+165
(*ii*) Deposit money with the public	+6	+27	+110	+75

*Adjusted for variations in P.L. 480/P.L. 665 deposits held by the State Bank of India.

41. The resources of the banking system expanded more in 1963-64 than in 1962-63. During the slack season of 1963 (May-October), deposits of the banks increased by Rs. 166 crores (excluding P.L. 480/P.L. 665 deposits) as compared to Rs. 93 crores in the corresponding period of 1962. There was an unusually large contraction in the bank credit to the private sector, the decline being as much as Rs. 70 crores as against an increase of Rs. 2 crores in 1962. In part, the contraction in credit reflected the destocking of commodities like rice and sugar which were in short supply; in part, it may have been on account of subdued conditions in the capital market. In view of the large decline in the bank credit to the private sector and the increase in deposits, the banks had adequate resources to increase their investments in Government securities. Money market conditions were easy and the call money rate in Bombay fell to 1¾ per cent towards the end of the slack season.

42. During the current busy season (*i.e.* since the beginning of November 1963) the private sector demand for bank credit has increased. In October 1963, a modification was made in the Reserve Bank's system of quotas for lending to the commercial banks to ensure adequate finance for productive purposes during the busy season. As a result of the modification, scheduled banks can borrow from the Reserve Bank upto 150 per cent of the average of their statutory reserves in the preceding quarter, 75 per cent at the Bank rate and the remainder at 6 per cent. Additional borrowings are permitted at the discretion of the Reserve Bank and the rate charged on them is also 6 per cent. The commercial banks have been able to meet the increased demand for credit and their lending

to the private sector went up by Rs. 181 crores between the end of October 1963 and 17th January 1964, as compared to the increase of Rs. 92 crores in the corresponding period of the previous year. The call money rate in Bombay moved up and by 17th January 1964, it was 5·10 per cent, as compared with 4·86 per cent a year ago.

43. The basic considerations underlying the Reserve Bank's monetary policy have not undergone any change during the current year. While enabling larger flow of resources into productive investment, the objective of policy continues to be to check the use of bank finance for speculative purposes and also to ensure that interest rates in the organised sector reflect the scarcity of capital. Selective credit controls continued to be operated flexibly, and recently, the Reserve Bank has lowered the ceilings on scheduled bank advances against paddy and rice.

44. The financing of exports has high priority and during the year an Export Bills Credit Scheme was introduced. Special facilities were also made available to scheduled banks to finance small-scale industries and cooperatives and the expansion of capacity in the coal industry. An Agricultural Refinance Corporation was set up for facilitating medium and long-term credits for the development of agriculture and allied activities.

Trends in the Capital Market

45. Following the increase in the Bank Rate by ½ per cent in January 1963, there was a further downward adjustment in the prices of Government securities. The index of prices of Government and semi-Government securities (1952-53=100) which had declined from 100·7 in June 1962 to 99·6 in December 1962 in a process of adjustment to higher yields offered on new Government loans, declined further to 98·6 by the middle of May 1963. The improvement in the liquidity of commercial banks and the increased demand for Government securities emanating from this as from other institutional investors gave some support to the gilt-edged market in the subsequent months. The index rose to 100·1 by the end of November and has remained stable since then.

46. Throughout the greater part of the year, the stock markets remained in a subdued condition. The decline in share prices which had started about the middle of 1962 was accentuated after the declaration of the Emergency and the 1963-64 Budget. The index of variable dividend industrial securities (1952-53=100) came down from 195 in May 1962 to 173 by the end of December 1962 and further to 158 by the end of June 1963. A considerable part of the decline in share prices was in the nature of a corrective to the earlier boom, but since the decline had been sharp, a number of measures were taken to stimulate activity in the stock markets. Forward trading was resumed in June 1963, financial assistance was given to the Industrial Finance Corporation and the Industrial Credit and Investment Corporation to enable them to increase their underwriting operations and the selective credit controls were relaxed in so far as advances against shares were concerned. The modification in the credit policy of the Reserve Bank in October 1963 as also the announcement of Government's decision to establish a Development Bank led to a recovery in share prices and the index by 25th January 1964 was 169-*i.e.* the level prevalent a year ago.

47. Following the declaration of the Emergency, there was a slowing down in private capital issues. During the first nine months of 1963, the amount raised by non-Government companies by way of shares and debentures was Rs. 42 crores (exclusive of a portion of the Oil India debenture issue subscribed early in 1963), as compared to Rs. 57 crores in the corresponding period of the previous year. Subscriptions to new issues have recently shown an improvement.

Prices

48. An increase in prices was to be expected as a result of the fall in agricultural production, and particularly in the output of rice and sugarcane. Since the scarcity of rice was concentrated in the Eastern region, Madhya Pradesh and Maharashtra. the rise in prices was particularly sharp in these areas.

49. The price situation as it has emerged during the current year may be contrasted with the experience of the first two years of the Third Plan. While there was a decline in wholesale prices of 3·5 per cent in the first year of the Third Plan, there was an increase of like magnitude in the second year. At the beginning of the third year, therefore, the price level was no higher than at the beginning of the Plan. Between April and October 1963, prices went up by 6·8 per cent as compared to the rise of 6·1 per cent in the same period of 1962. There was a small decline in November 1963, but the price level increased again in subsequent weeks, mainly because of an increase in wheat prices.

50 The uptrend in prices during the year was caused mainly by a rise in the prices of rice, gur and sugar. The prices of sugar and gur had started rising from January 1963 and in the case of rice there was a sharp increase during the lean season, the increase between April and October being 17·7 per cent. In West Bengal and Madhya Pradesh, the rise ranged from 21 to 22 per cent and in Maharashtra it was as high as 34 per cent. Indeed, the increase in prices of the food articles group as a whole accounted for more than four-fifths of the total rise during the first half of 1963-64. Among food articles, rice alone caused a quarter of the increase in the general price level, and gur more than a third.

51. Cotton prices rose somewhat, in spite of a larger crop, because of increased demand. The production of cotton yarn, while higher than in 1962-63, was close to capacity and the price of yarn rose by 3·7 per cent over 1963. While mill cloth prices rose slightly, a large increase took place in the price of handloom cloth.

52. Raw jute prices were stabilised, and so were those of jute manufactures.

53. The wholesale price index number rose over the year ended 25th January 1964 by 11·4 per cent for food articles, by 5·8 per cent for indus-

trial raw materials and by 2·7 per cent for manufactures. The following table sets out the index numbers for selected commodities:—

Index Numbers of Wholesale Prices

(152-53=100)

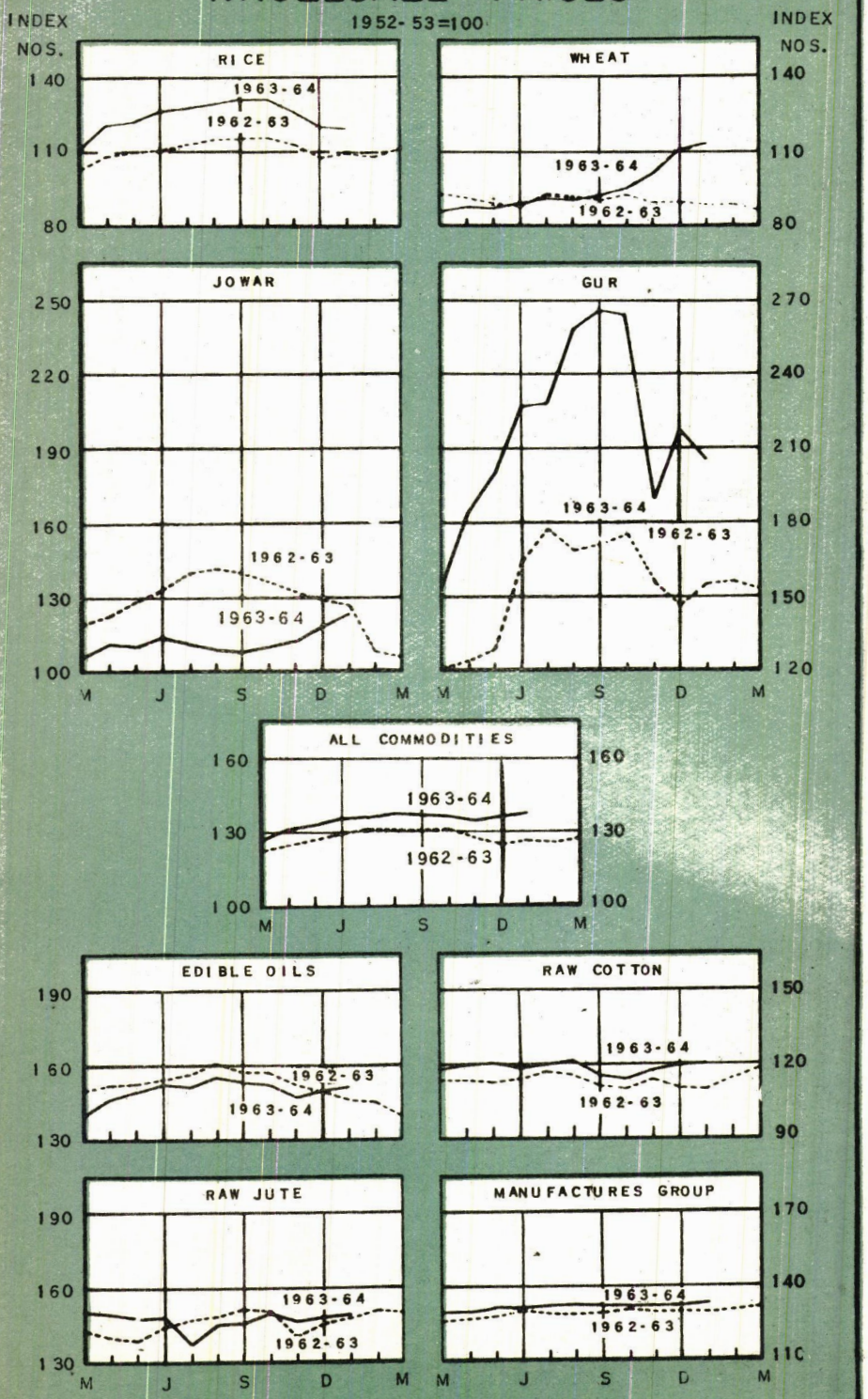
Groups/Commodities	April 1, 1961	January 26, 1963	March 30, 1963	October 26, 1963	January 25, 1964
Food Articles	*116·9*	*124·4*	*123·5*	*138·8*	*138·6*
Cereals	99·7	103·1	102·8	118·2	118·7
of which :					
Rice	100·9	108·7	111·4	131·1	120·0
Wheat	90·0	88·6	86·6	94·6	113·0
Sugar	127·0	130·1	140·6	135·9	142·7
Gur	110·7	154·6	152·8	264·3	204·7
Industrial Raw Materials	*155·5*	*133.6*	*135·3*	*136·9*	*141·3*
Manufactures	*128·1*	*128·4*	*129·5*	*131·0*	*131·9*
All Commodities	*126·2*	*126.5*	*127·3*	*135·9*	*136·8*

54. The Working Class Consumer Price Index (1949=100) had remained steady around 130 in the first three months of 1963 in response to the seasonal decline in wholesale prices of food grains and other food articles which had occurred during the previous three months. After April 1963, however, the index showed a steady increase reaching 138 by October 1963. In November there was no further increase, but consumer prices were 4 per cent higher than a year ago.

55. To prevent speculative price increases in food grains, Government arranged for enlarged distribution of rice and wheat through fair price shops. The number of fair price shops was increased from about 50,000 to nearly 60,000 during 1963, the number in West Bengal going up from 11,047 to 12,274. The issues of rice from Central stocks to the State Governments were stepped up. West Bengal, for instance, was given an additional allocation of one lakh tonnes of rice and four lakh tonnes of wheat, over and above what it received in 1962.

56. Steps are being taken to review and strengthen the machinery for procurement and distribution of foodgrains. The State Governments have been urged to take effective steps for increasing the procurement of rice during the current year and for tightening the regulatory measures. Government is pursuing a policy of encouraging the establishment of consumer cooperative societies to facilitate the distribution at fair prices both of foodgrains and other articles. Under the centrally sponsored scheme of consumer co-operatives, 143 wholesale stores and 2,341 primary stores/branches have been set up. As indicated elsewhere in the Survey, further steps were also taken to assure the farmer of reasonable minimum prices for foodgrains. Similarly, steps were taken both to increase the return on sugarcane cultivation and to enable the factories to obtain larger supplies of sugarcane. Fiscal incentives have been given to stimulate production of sugar, among other things, by early and late crushing by the factories. From a longer-term point of view, the capacity of the sugar industry is also being increased.

WHOLESALE PRICES



MINISTRY OF FINANCE, ECONOMIC DIVISION.

57. During the year, controls on prices and distribution of a number of manufactured products were reviewed in order to ensure that they were consistent with the need for expansion in priority fields and that distribution controls adequately serve the purpose for which they were imposed. The price controls on 16 commodities were removed during the year; these were rayon yarn, staple fibre, caustic soda, soda ash, hydrochloric acid, chlorine, calcium carbide, bleaching powder, chilean nitrate, muriate of potash, sulphate of potash, washing soap, tyres and tubes, sheet glass, paper board, and natural rubber.

58. As a result of the decontrol, prices of some of the commodities have moved up. The manufacturers have increased the prices of tyres and tubes by 6 per cent and washing soap prices charged by one of the manufacturers have also been increased by 6·5 per cent. No material increase in the prices of rayon yarn has occurred and sheet glass prices are reported to have declined. In the case of chemicals, the only significant increase has taken place in caustic soda, the producers' prices of which have been increased by 10 per cent. On the whole, the increase in producer prices has not had a commensurate effect on the final consumer prices and the expectation that following the decontrol a part of the margins accruing to traders would become available to the industry seems to have been realised. The incentive provided by the increase in producer prices is likely to result in a further expansion of output.

59. The problems of controls and pricing policy in respect of basic industries like coal and steel and of power generation required detailed examination. A committee examined price and distribution controls on steel, and its report is under consideration. The views of steel producers and others concerned are also being taken into account. Coal prices are under review particularly from the point of view of stimulating the production of selected grades. A committee which examined the rates charged by electricity undertakings considered progressive adjustment in tariffs to bring up the rate of return to these undertakings to 10 per cent of the capital employed. At a conference of Central and State Ministers in charge of power, this matter was discussed and a Committee with State Ministers has been set up to recommend a sound rate policy for electricity.

Balance of Payments

60. During 1962-63, the fall in the foreign exchange reserves was less than in the previous year in spite of the increased import requirements resulting from the Emergency. The fall in reserves was Rs. 2·3 crores over the year, as compared to Rs. 59·2 crores in 1960-61 and Rs. 6·3 crores in 1961-62. The drawal on the International Monetary Fund was also less at Rs. 11·9 crores in 1962-63 as against Rs. 58·4 crores (after allowing for repayments) in 1961-62. The smaller decline in reserves in 1962-63 was the result of an increase of Rs. 14·5 crores in export earnings as well as increased utilisation of external assistance. While imports rose by Rs. 87·8 crores, there was an improvement on the invisibles account partly as a result of more stringent restrictions on foreign travel, private remittances, etc.

61. In the first half of 1963-64, the foreign exchange reserves declined by Rs. 27·9 crores as against Rs. 11·1 crores and Rs. 51·6 crores in the same halves of 1961-62 and 1962-63, respectively. Between the first halves

of 1962-63 and 1963-64, export earnings rose by Rs. 55·1 crores, while receipts from official donations increased by Rs. 11·1 crores, and net receipts from other invisible items by Rs. 13·3 crores and from official loans by Rs. 39·8 crores. There was a rise of Rs. 58 crores in total imports as Government imports increased by Rs. 70·2 crores and private imports fell by Rs. 12·2 crores. There was a marked rise in the imports of capital equipment both by the Government and the private sector, reflecting increased investment. These larger imports facilitated the absorption of foreign assistance, which was, however, somewhat below expectations.

India's Balance of Payments

(Rs. crores)

	1961-62†	1962-63*	1962-63* April-September	1963-64* April-September
1. *Imports, c.i.f.*	*1001·6*	*1089·4*	*536·8*	*594·8*
(*a*) Private	638·3	625·9	322·5	310·3
(*b*) Government	363·3	463·5	214·3	284·5
2. Exports, f.o.b.	*667·7*	*682·2*	*315·5*	*370·6*
3. *Trade Balance*	*—333·9*	*—407·2*	*—221·3*	*—224·2*
4. Invisibles (net, excluding Official Donations)	—14·9	—3·7	—1·5	11·8
5. Official Donations	45·7	77·0	33·6	44·7
6. *Current Account (net)*	*—302·1*	*—333·9*	*—189·2*	*—167·7*
Capital Transactions (net)	*[illegible]*	*[illegible]2·9*	*129·9*	*171·5*
(*i*) Private Capital (net)	—5·5	—5·5	—6·4	—6·2
(*ii*) Banking Capital (net)	—12·7	15·7	—7·6	—19·6
(*iii*) Official Loans Receipts (gross)	281·0	383·7	172·3	212·1
(*iv*) Amortization (net)	—57·3	—50·9	—22·4	—26·3
(*v*) Other Capital Transactions (net)	27·6	—10·1	—6·0	11·5
8. Errors and Omissions	5·3	—13·2	—4·2	—19·8
9. IMF Drawings (net)	58·4	11·9	11·9	—11·9
10. Change in Foreign Exchange Reserves	—6·3	—2·3	—51·6	—27·9

*Preliminary.

†Revised and excluding Goa, Daman and Diu.

62. The increase of Rs. 70·2 crores in Government imports during the half year under review as compared to the same period of the preceding year was largely accounted for by a rise of Rs. 45·7 crores in imports of capital equipment for Government projects and of Rs. 18·4 crores in imports of foodgrains. The increase in imports of capital equipment

was related to the step-up in investment in the public sector: at Rs. 1,654 crores Plan outlay budgeted for 1963-64 exceeds the preceding year's outlay (Revised Estimates) by Rs. 240 crores. At the same time, the outlay on industry, minerals, transport and communications taken together, which has a relatively high imported capital goods component, is expected to increase from Rs. 619 crores to Rs. 754 crores. The increase of Rs. 18·4 crores in imports of food grains was needed to relieve the shortfall resulting from lower domestic production.

Government Imports

(Rs. crores)

	1961-62*	1962-63†	1962-63†	1963-64†
			April-September	
Iron and Steel	27·6	24·7	12·9	9·6
Capital equipment for Government projects	102·3	133·0	52·4	98·1
Railway stores	12·5	27·9	17·0	12·5
Communication stores	16·4	14·0	6·8	7·5
Food	117·0	166·4	79·6	98·0
Others (including non-ferrous metals, fertilisers and mineral oils)	87·5	97·5	45·6	58·8
TOTAL	363·3‡	463·5	214·3	284·5

*Revised

†Preliminary

‡Excludes imports into Goa, Daman and Diu

63. Although total private imports showed a fall of Rs. 12·2 crores, machinery imports rose by Rs. 10·3 crores. On the other hand, imports of non-ferrous metals declined by Rs. 1·4 crores, and of textile yarns by Rs. 1·2 crores, since there were larger availabilities of aluminium and art silk yarn from domestic production. There was also some decline in imports of raw cotton.

64. According to the balance of payments statistics, exports amounted to Rs. 370·6 crores in the first half of 1963-64 as compared to Rs. 315·5 crores in the same half of 1962-63. However, according to the trade statistics compiled by the Directorate General of Commercial Intelligence and Statistics, exports were Rs. 367·9 crores in April-September 1963 and Rs. 331·8 crores in the same period of 1962. The following analysis of trends in the exports of major commodities is based on the trade statistics.

Exports of Principal Commodities from India

(Value in Rs. crores)

Commodities	Unit of quantity	1961-62		1962-63		April-September 1962		April-September 1963	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Cashew kernel	million kgs	42	18·2	49	19·4	23	9·2	28	11·2
Spices	million kgs.	64	17·5	51	13·9	23	6·1	23	6·1
Sugar	'000 tonnes	285	14·6	418	17·0	213	8·7	349	17·9
Tea	million kgs.	206	122·3	221	129·2	95	55·3	87	52·6
Tobacco	million kgs.	46	15·0	62	18·9	42	12·5	51	17·2
Coffee	million kgs.	30	9·0	20	7·6	10	4·1	13	4·6
Oil cakes	'000 tonnes	506	17·3	859	31·8	368	12·7	403	14·8
Vegitable oils (non-essential and essential)	million kgs.	40	10·3	98	17·4	39	7·7	62	10·3
Petroleum products	value	..	3·5	..	4·1	..	1·7	..	2·9
Hides and skins undressed	million kgs.	12	8·2	15	10·8	7	4·9	6	4·8
Raw cotton and waste	'000 tonnes	104	19·6	95	16·5	50	9·0	52	8·7
Iron ore	million tonnes	3 4	17·4	9·1	35·5	3 6	14·6	4 0	16·2
Manganese ore	'000 tonnes	965	10·4	763	8·1	391	4·3	418	3·7
Leather and leather manufactures	value	..	25·4	..	22·8	..	11·2	..	12·5
Footwear	'000 pairs	4662	2·4	5452	2·7	1666	1·0	2027	1·6
Cotton textiles	million metres	515	48·3	506	46·5	224	21·3	236	22·6
Art silk fabrics	million metres	69	6·7	73	8·1	35	3·2	36	4·0
Jute manufactures	'000 tonnes	798	144·8	892	155·7	422	71·2	469	81·7

Source : DG.C.I.S.

65. As in the past year, the largest contribution to export earnings came from the exports of jute manufactures which amounted to Rs. 81·7 crores in April-September 1963 as compared to Rs. 71·2 crores in April-September 1962. This increase was the result of a 3 per cent rise in the unit value combined with an 11 per cent increase in the volume of exports. The latter increase was made possible by larger domestic production accompanied by fairly buoyant world demand. Despite keen competition from Pakistan, which continued to operate an export bonus scheme, India has been able to maintain her share in the United States market, which is the principal market for jute goods in the world at around 85 per cent; ground was, however, lost to Pakistan in some other markets. The fixation of minimum prices for raw jute which has also stabilised the production of raw jute has made an important contribution toward maintaining the export prices of jute goods. Exports of carpet-backing jute cloth which have been going up in recent years are a relatively new product with strong foreign demand. Efforts are being made to instal more broadlooms for the manufacture of this product.

66. The aggregate production of tea in 1962-63 is estimated to have declined by 10,000 metric tons or by 2·8 per cent, the entire shortfall being concentrated in the North Indian crop. Exports of tea in April-September 1963 and 1962 amounted to Rs. 52·6 crores and Rs. 55·3 crores respectively, thus showing a fall of Rs. 2·7 crores. This was entirely due to a drop of 8 million kgs. in the volume of exports while the average unit value of exports actually showed an increase of Re. 0·22 per kg.

67. Exports of cotton textiles earned Rs. 22·6 crores in April-September 1963 as compared to Rs. 21·3 crores in the same period of 1962. This was due to an encouraging rise of Rs. 1·1 crores in handloom goods exports. Apart from the fact that world demand for fibres is shifting from cotton to man-made fibres and amongst cotton fabrics from the inferior varieties such as the grey and unbleached cloth which India traditionally exports to the superior varieties, there are two other factors which have tended to undermine the exports of cotton textiles: the setting up of cotton textile mills by most of the developing countries and greater competition from other sources.

68. Exports of coffee showed a moderate increase from Rs. 4·1 crores to Rs. 4·6 crores during the same period, which was entirely due to an increase in the volume of exports. The International Coffee Agreement has allotted to India a quota of 21·6 million kgs. The Indian coffee crop this year is larger by about 16 per cent while the international coffee market is likely to rule firm on account of the destruction of a sizeable proportion of the Brazilian crop because of unfavourable weather conditions. Exports of cashew kernels have also continued to do well and during the first half of 1963-64, they amounted to Rs. 11·2 crores as against Rs. 9·2 crores in the same period of the last year. Tobacco exports amounted to Rs. 17·2 crores in the first half of 1963-64 as compared to Rs. 12·5 crores in the same period of 1962-63.

69. Exports of sugar have been substantial for the past two years. During the half year under review, sugar exports amounted to Rs. 17·9 crores as against Rs. 8·7 crores during the same half of 1962-63 and Rs. 17 crores in the whole of 1962-63.

70. At Rs. 14·8 crores in April-September 1963, exports of oil cakes showed an increase of Rs. 2·1 crores over April-September 1962, while

those of vegetable oils, non-essential, amounting to Rs. 9 crores in April-September 1963 registered a rise of Rs. 3·8 crores. Exports of iron ore have shown an increase of Rs. 1·6 crores in the same period from Rs. 14·6 crores to Rs. 16·2 crores and of engineering goods from Rs. 4·1 crores to Rs. 5·9 crores. Exports of petroleum products also increased from Rs. 1·7 crores in the first half of 1962-63 to Rs. 2·9 crores in that of 1963-64.

71. A region-wise analysis shows that, although in absolute terms, there has been an increase in exports to Western Europe including the European Common Market from Rs. 111 crores in April-September 1962 to Rs. 113·5 crores in April-September 1963, in relative terms, the share of this region in India's exports has declined from 33·4 per cent to 30·7 per cent. Within Western Europe itself, the share of the U.K. has gone down, both in absolute and relative terms, from Rs. 76·2 crores (23 per cent) to Rs. 75·1 crores (20·4 per cent). Exports to the European Common Market increased marginally from Rs. 25·3 crores to Rs. 26·6 crores, though their relative share showed a small decline from 7·6 per cent to 7·2 per cent. Other regions whose shares have gone down somewhat are Africa and Oceania.

72. On the other hand, exports to the United States increased from Rs. 52·7 crores to Rs. 65·5 crores and the share of that country in total exports went up from 15·9 per cent to 17·8 per cent. The ECAFE region also increased its offtake from India from Rs. 55·9 crores in the first half of 1962-63 (or 16·9 per cent) to Rs. 66·2 crores (or 18 per cent). An encouraging increase, both in absolute and in relative terms, was also registered in exports to the East European countries, from Rs. 44·7 crores (or 13·5 per cent) in April-September 1962 to Rs. 55·8 crores (or 15·2 per cent) in April-September 1963.

73. Among the export promotion measures taken in 1963 was the removal of the ban on the exports of several commodities as well as the liberalisation of export quotas for others including raw cotton, oil cakes and handloom fabrics. A Marketing Development Fund was constituted for providing assistance for export publicity and promotion. Legislation was passed for ensuring compulsory quality control and pre-shipment inspection. A Minerals and Metals Trading Corporation was established to look after the growing volume of state trading in ores. New export promotion councils were set up for basic chemicals, pharmaceuticals and soap and finished leather and its manufactures. The Railways announced a general rebate of 25 per cent in the freight for sixty-five engineering industry products booked for export from any station to any port.

74. The net position on account of invisibles other than official donations improved further during the half year. There were net receipts of Rs. 11·8 crores in April-September 1963 as compared to a net payment of Rs. 1·5 crores in April-September 1962. Net receipts from transportation increased from Rs. 9 crores to 13 crores, largely reflecting the rapid growth of Indian shipping by 200,000 GRT in the first two years of the Third Plan. Net receipts from private donations were also somewhat higher at Rs. 16·0 crores as against Rs. 10·8 crores while those from miscellaneous transactions were larger at Rs. 9·7 crores as compared to Rs. 1·1 crores. The improvement in receipts from private donations and miscellaneous transactions may have been the result of the intensified restrictions on foreign travel and private remittances, and of a reduction in the smuggling of gold and other items. However, receipts from private donations were still well below the 1956-57 level of Rs. 47·8 crores.

75. It may, however, be added that, from the foreign exchange point of view, the net surplus in the invisibles account needs to be adjusted downward to eliminate the expenditure by the U.S. Embassy out of the portion retained by it from total accumulations of P.L. 480 rupee counterpart funds, since it is counter-balanced by increased capital payments of a book-keeping nature. The invisibles position (excluding official donations) thus adjusted shows net receipts of Rs. 8·2 crores in the first half of 1963-64 as against net payments of Rs. 9·1 crores in the first half of 1962-63.

76. With the depletion of the sterling balances, gross receipts from investment income have rapidly declined, while payments have risen with the growth of the country's external indebtness. Gross receipts amounted to Rs. 5·8 crores and gross payments to Rs. 46·3 crores in April-September 1963, as compared to Rs. 5·4 crores and Rs. 43·4 crores, respectively in April-September 1962.

77. The net outflow of private capital both long-term and short-term was Rs. 6·2 crores in April-September 1963, as compared to Rs. 6·4 crores in April-September 1962. The figures of private capital movements recorded in the balance of payments, however, do not reflect the real trends since the balance of payments data exclude two important channels of inflow, namely, non-cash inflow of capital (which takes primarily the form of supply of equipment) and re-invested earnings of foreign companies. Nevertheless, the inflow of private foreign capital has been significantly less than was envisaged earlier.

78. In the half year under review, the net outflow of banking capital amounted to Rs. 19·6 crores as compared to Rs. 7·6 crores in the corresponding half of 1962-63. This was mainly in the nature of a reduction of the liabilities which were incurred in the latter half of the previous year when the lowering of the British bank rate to 4 per cent and the raising of the Indian bank rate to 4½ per cent had caused a significant inflow of funds. Repayments (net) of foreign loans amounted to Rs. 26·3 crores for April-September 1963 as compared to Rs. 22·4 crores in the first half of 1962-63.

External Assistance

79. Payments against external assistance (other than under the American Surplus Disposals Programme) were estimated at Rs. 2,600 crores during the Third Plan period. These would be covered partly by assistance amounting to Rs. 693 crores carried over from the Second Plan period; on the other hand, part of the assistance promised during the Third Plan will be disbursed in the Fourth Plan period. The Aid India Consortium sponsored by the World Bank, which had pledged assistance amounting to Rs. 617 crores for 1961-62 and Rs. 510 crores for 1962-63, promised further assistance of Rs. 501 crores for 1963-64, making a total of Rs. 1,627 crores for the first three years of the Third Plan. Detailed agreements were concluded till the end of December 1963 against these pledges for a total amount of Rs. 1,292 crores. Assistance promised upto the end of September 1963 outside the Consortium, mainly by the U.S.S.R. and other East European countries, and available for use during the Third Plan amounted to a total of Rs. 396 crores, the bulk of which was authorised before the end of the Second Plan period.

80. The above figures exclude assistance under the American Agricultural Surplus Disposals Programme, which has helped to maintain supplies both of foodgrains and of other commodities such as cotton. The value of such supplies available for import during the Third Plan amounts to Rs. 630 crores, and the actual imports in the first 2½ years of the Plan amount to Rs. 294 crores.

81. In the Second Plan and at the start of the Third Plan, most aid was project-tied. In the case of such assistance, orders are placed after loan agreements are signed and the actual drawal of funds takes place as and when machinery is shipped. Increased imports of machinery against such project assistance have recently resulted in an improvement in utilisation. The availability of a larger share of external assistance in non-project form has also resulted in speedier drawals. While in 1961-62, the amount drawn against external assistance was Rs. 250 crores, there was an improvement to Rs. 321 crores in 1962-63. In the first half of 1963-64 the sum drawn was Rs. 180 crores and in the second half of the year, receipts are likely to be higher. A further significant improvement is expected in 1964-65.

82. The servicing of external debt is a growing burden on the balance of payments. Debt repayments had amounted to Rs. 60 crores in 1961-62 and Rs. 53 crores in 1962-63. Repayments against loans signed upto the end of 1963 are estimated to rise to a peak of Rs. 116 crores in 1968-69. Over the Fourth Plan period, repayments against these loans will amount to Rs. 553 crores and interest charges to Rs. 273 crores. In addition, debts contracted in 1964 and later will have to be serviced. It is thus important that further borrowing should be on softer terms. Loans from the International Development Association and the U.S. A.I.D. have been repayable over 40 to 50 years, with long grace periods and nominal service charges; and there is a need for wider acceptance of this pattern.

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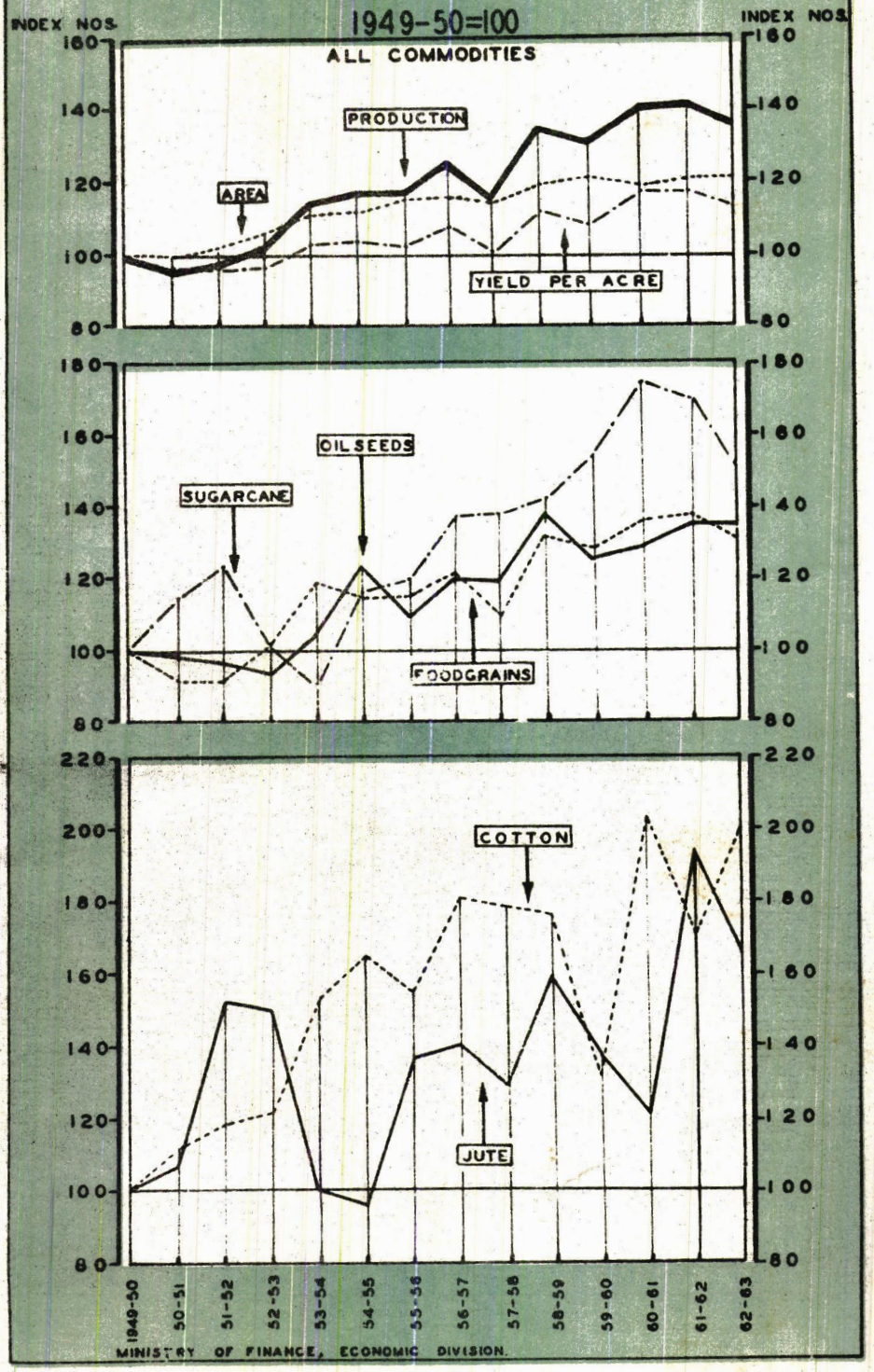
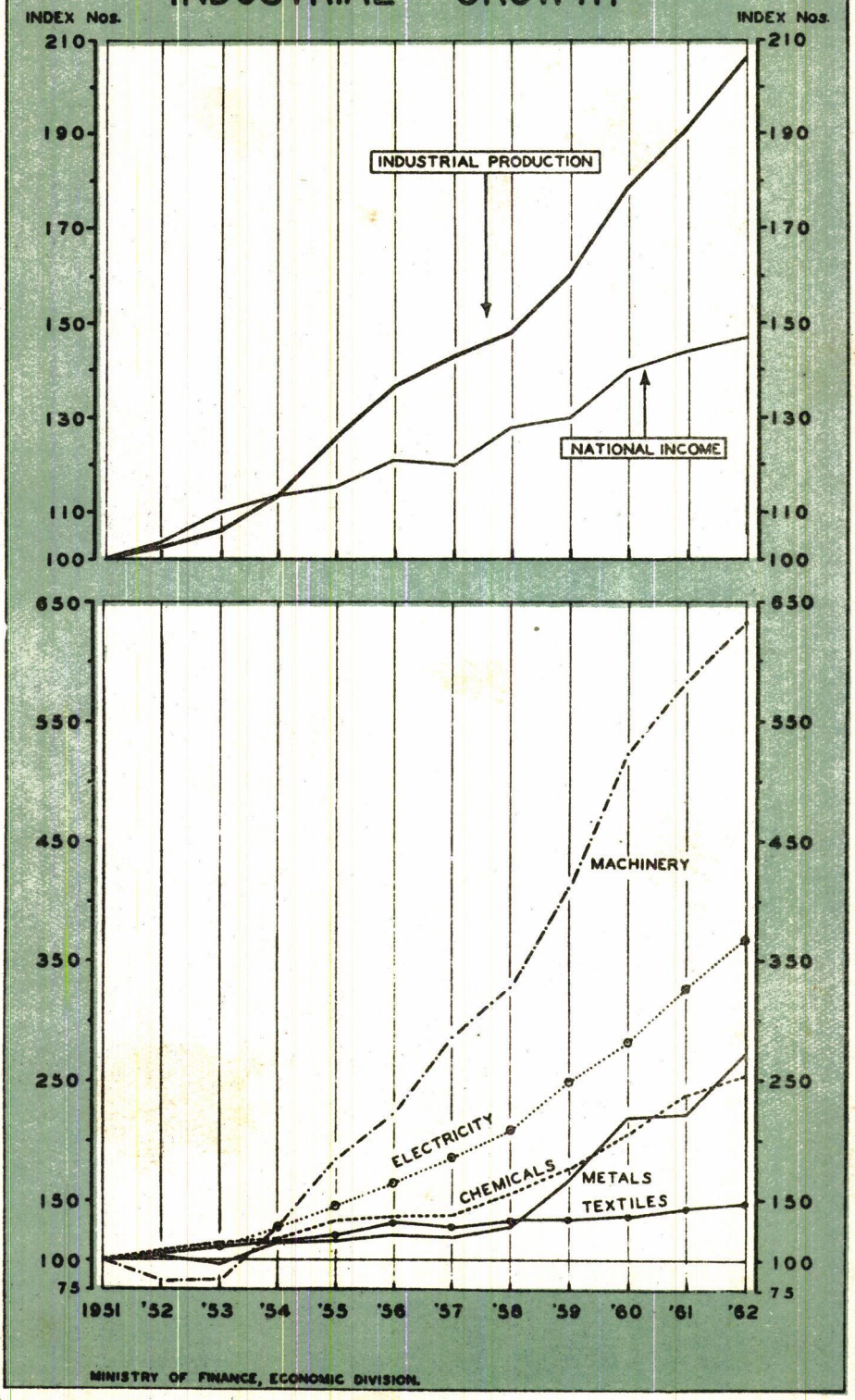
7.3 Assistance Committed by the Aid-India Consortium for the First Three Years of Third Plan

AGRICULTURAL PRODUCTION



MINISTRY OF FINANCE, ECONOMIC DIVISION.

INDUSTRIAL GROWTH

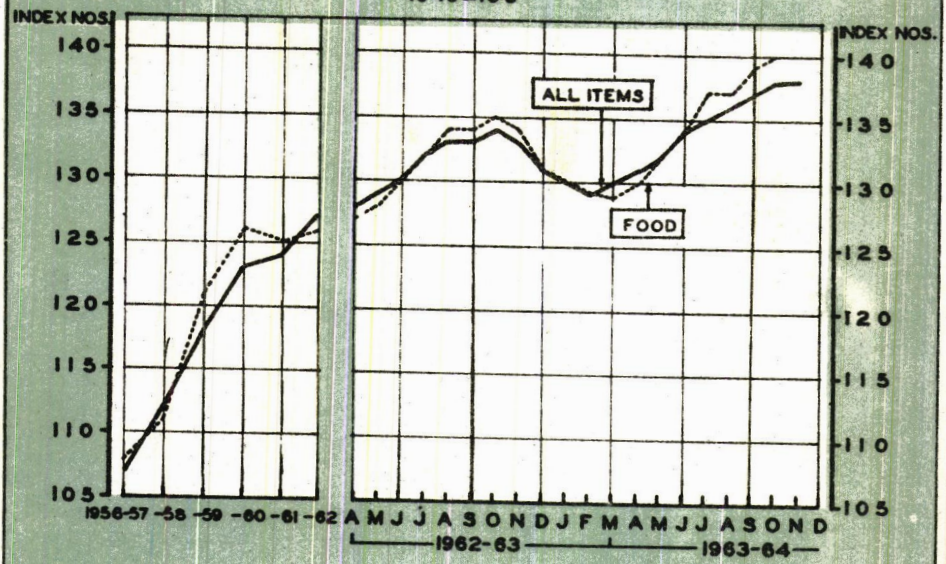


MINISTRY OF FINANCE, ECONOMIC DIVISION.

PRICE TRENDS

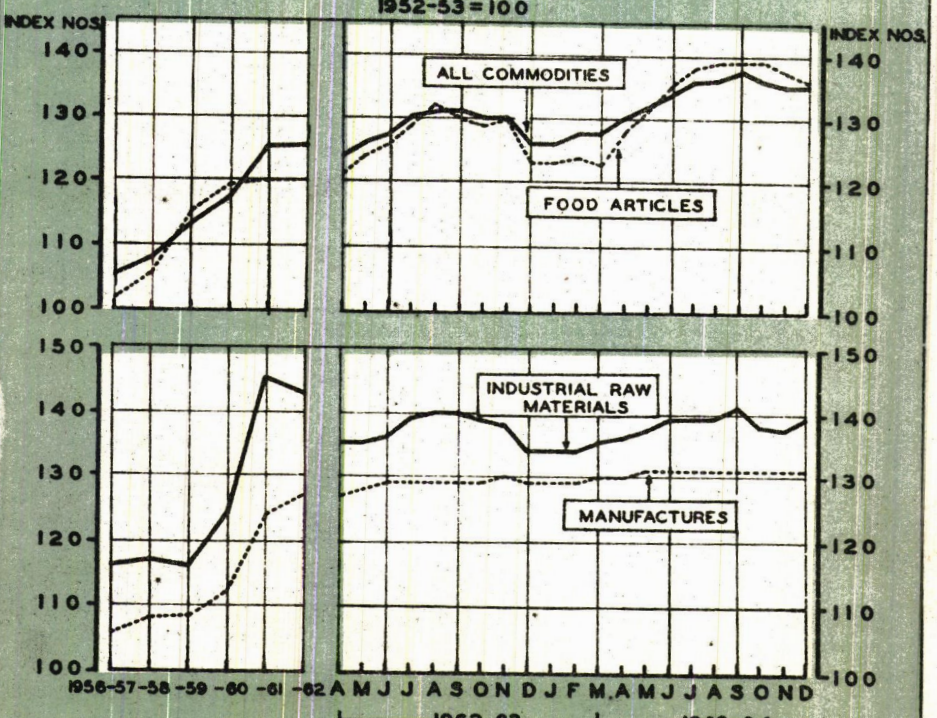
WORKING CLASS CONSUMER PRICES

1949=100



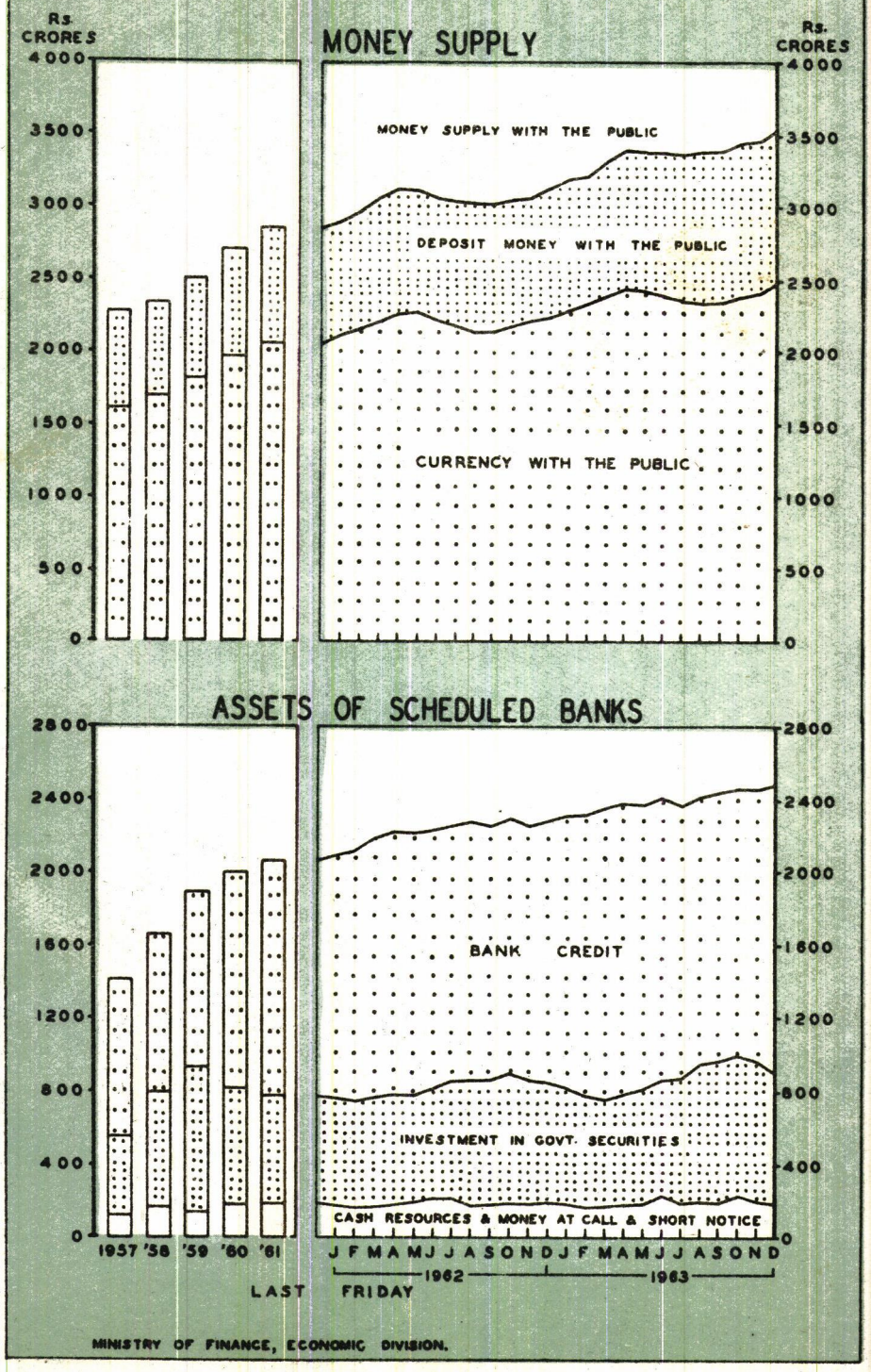
WHOLESALE PRICES

1952-53=100



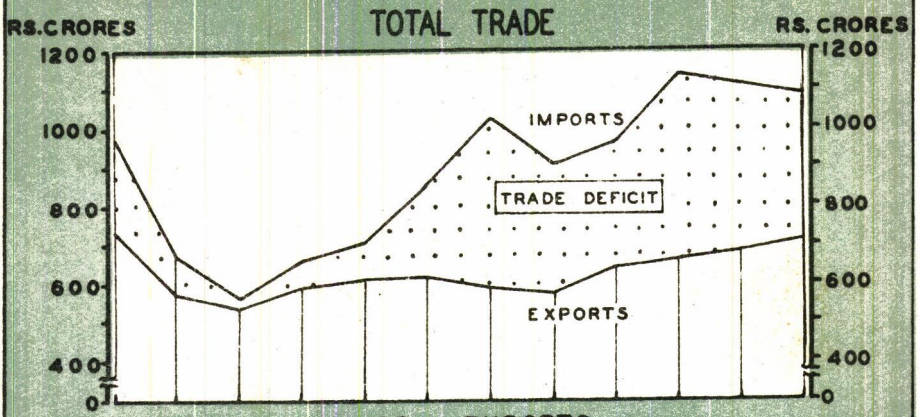
MINISTRY OF FINANCE, ECONOMIC DIVISION.

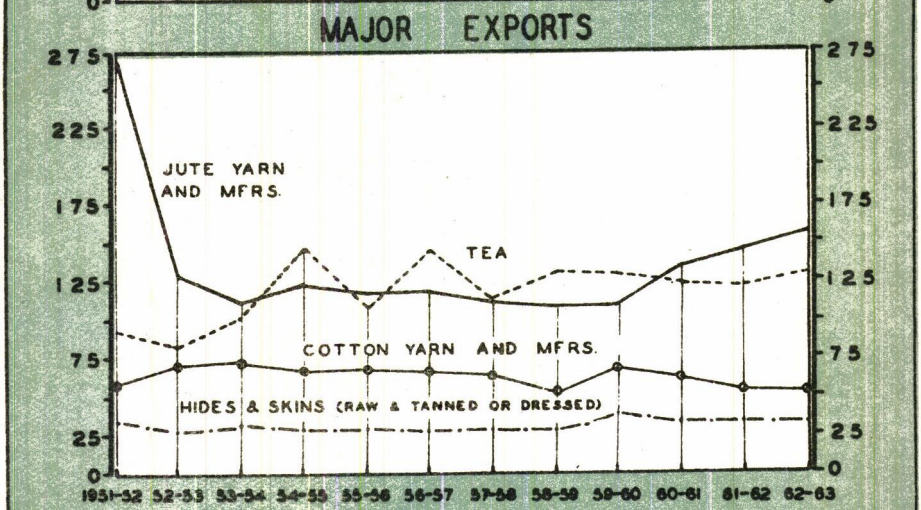
MONETARY INDICATORS

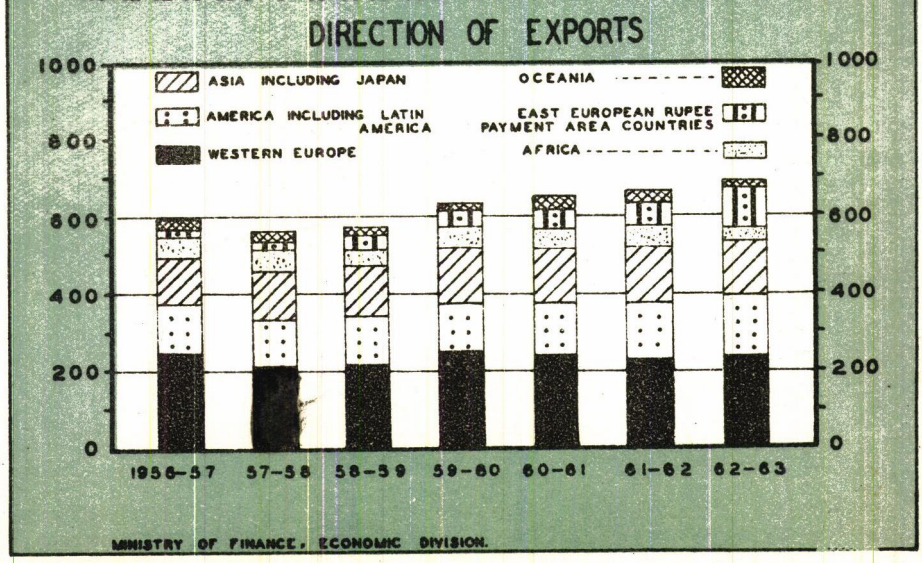


MINISTRY OF FINANCE, ECONOMIC DIVISION.

FOREIGN TRADE







MINISTRY OF FINANCE, ECONOMIC DIVISION.

1·1 : NATIONAL INCOME

Year	National Income (Rs. crores)		*Per Capita* Income (Rs.)		Index Numbers of National Income (1948-49=100)		Index Numbers of *Per Capita* Income (1948-49=100)	
	At Current Prices	At 1948-49 Prices	At Current Prices	At 1948-49 Prices	At Current Prices	At 1948-49 Prices	At Current Prices	At 1948-49 Prices
1948-49	8,650	8,650	249·6	249.6	100·0	100·0	100·0	100·0
1949-50	9,010	8,820	256·0	250·6	104·2	102·0	102·6	100·4
1950-51	9,530	8,850	266·5	247·5	110·2	102·3	106 8	99·2
1951-52	9,970	9,100	274,2	250·3	115·3	104·2	109·9	100·3
1952-53	9,820	9,460	265·4	255·7	113·5	109·4	106·3	102·4
1953-54	10,480	10,030	278·1	266·2	121·2	116·0	111·4	106·7
1954-55	9,610	10,280	250·3	267·8	111·1	118·8	100·3	107·3
1955-56	9,980	10,480	255·0	267·8	115·4	121·2	102·2	107·3
1956-57	11,310	11,000	283·3	275·6	130·8	127·2	113·5	110·4
1957-58	11,390	10,890	279·6	267·3	131·7	125·9	112·0	107·1
1958-59	12,600	11,650	303·0	280·1	145·7	134·7	121·4	112·2
1959-60	12,950	11,860	304·8	279·2	149·7	137·1	122·1	111·9
1960-61	14,160	12,750	326·2	293·7	163·7	147·4	130·7	117·7
1961-62*	14,630	13,020‡	329·7	293·4‡	169·1	150 5	132·1	117·5
1962-63**	n.a.	13,350	n.a.	294·2	n.a.	154·3	n.a.	117·8
			Percentage change					
First Plan	+4·7	+18·4	—4·3	+8·2	..	..	..	..
Second Plan	+41·9	+21·7†	+27·9	+9·7†	..	..	..	..

*Preliminary Estimates

**Quick Estimates

†The estimates of production of foodgrains from 1959-60 and those of sugarcane from 1960-61 are not strictly comparable with those for the earlier years. Adjusted for such statistical changes, the increase in total national income and in per capita income during second Plan period works out to 20·4 per cent and 8·6 per cent respectively.

‡The partially revised estimates put the national income at Rs. 13,090 crores and per capita income at Rs. 295·0.

Note : The per capita estimates are based on the rate of growth of population as revleaed by the 1941, 1951 and 1961 census figures.

1·2 : INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Crop Year ending) (June 1950=100)

Groups/Commodities	Weights	1950-51	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61*	1961-62*	1962-63*
A. *Foodgrains.*	*66·9*	*90·5*	*125·3*	*120·8*	*109·2*	*130·6*	*127·9*	*135·6*	*137·5*	*131·3*
(*a*) Cereals	58·3	90·3	114·9	120·5	110·1	129·8	128·9	136·6	140·0	133·0
Rice	35·3	87·9	114·2	120·4	105·7	127·6	126·2	136·2	139·0	127 9
Wheat	8·5	101·1	131·3	140·7	118·5	147·4	152·8	162·7	178·3	164 9
Inferior Cereals	14·5	89·8	107·0	108·9	115·9	124·8	121·5	122·3	120·0	126·7
(*b*) Pulses	8·6	91·7	118·4	122·9	103·0	136·0	120·8	128·6	120·3	119·7
of which										
Gram.	3·7	98·0	138·9	159·8	125·8	180·3	144·2	162·3	149·5	146·9
B. *Non-Foodgrains*	*33·1*	*105·9*	*119·9*	*131·5*	*129·5*	*139·4*	*135·0*	*147·9*	*149·2*	*148·0*
(*a*) Oilseeds	9·9	98·5	108·6	120·3	119·0	136·8	125·3	128·0	134·4	133·6
of which :										
Groundnuts	5·7	101·4	112·4	127·2	137·5	149·0	134·7	131·7	138·3	135·6
Rapeseed and Mustard	2·0	94·6	105·8	128·3	114·8	128·3	130·8	166·9	164·5	159 9
(*b*) Fibres	4·5	108·6	149·7	170·7	164·4	175·8	136·6	175·7	183·2	191·0
Cotton	2·8	110·7	153·9	181·2	178·8	175·8	132·4	203·3	170·2	200 4
Jute	1·4	106·3	135·8	138·7	128·8	158·7	137·4	121·6	193·8	163 9
Mesta	0·3	100·0	174·7	221·5	196·2	255·9	172·2	170·4	254·9	229·3
(*c*) Plantation Crops	3·6	104·0	113·2	123·0	122·7	127·3	131·3	135·1	140·6	140·1
Tea	3·3	103·8	107·2	117·2	115·7	119·4	122·7	120·9	133·5	129·7
Coffee	0·2	112·3	196·1	204·1	229·8	240·8	259·6	355·1	240·1	278·8
Rubber	0·1	93·8	146·1	152·9	140·1	160·2	157·6	165·3	176·3	204·8
(*d*) Miscellaneous	15·1	110·3	120·1	129·2	127·5	133·1	141·8	155·8	150·8	146·6
of which :										
Sugarcane	8·7	113·7	119·8	137·2	138·1	141·5	153·3	173·9	163·7	151·2
Tobacco	1·9	97·3	112·9	113·7	89·4	118·2	108·7	116·3	129·6	136·8
C. *ALL COMMODITIES*	*100·0*	*95·6*	*116·8*	*124·3*	*115·9*	*133·5*	*130·3*	*139·7*	*141·4*	*136·8*

*Provisional

1·3 : AGRICULTURAL PRODUCTION

	Unit	1949-50	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61*	1961-62£	1962-63£
A. *Foodgrains* . . .	million tonnes	*54·92*	*66·85*	*69·86*	*64·31*	*77·14*	*76·67*	*80·97*	*81·04*	*78·75*
(*a*) Cereals . .		46·76	55·80	58·30	54·75	63·99	64·87	68·32	69·41	67·10
Rice . . .	,,	23·54	27·56	29·04	25·52	30·84	31·68	34·20	34·81	32·02
Wheat . .	,,	6·38	8·76	9·40	7·99	9·96	10·32	10·99	12·04	11·13
Jowar . . .	,,	5·87	6·73	7·33	8·63	9·03	8·57	9·36	7·74	9·34
Bajra . . .	,,	2·84	3·43	2·87	3·62	3·87	3·49	3·23	3·55	3·86
Other cereals .	,,	8·13	9·32	9·66	8·99	10·29	10·81	10·54	11·27	10·75
(*b*) Pulses . . .	,,	8.16	11·05	11·56	9·56	13·15	11·80	12·65	11·63	11·65
of which										
Gram . . .		3·73	5·42	6·23	4·89	7·02	5·62	6·32	5·83	5·73
B. *Non-Foodgrains*										
(*a*) Oilseeds . .	,,	5·22	5·73	6·36	6·35	7·30	6·56	6·62	6·69	6·88
of which :										
Groundnuts . .	,,	3·43	3·86	4·37	4·71	5·18	4·56	4·46	4·68	4·59
Rapeseed and Mustard		0·80	0·86	1·05	0·93	1·05	1·07	1·36	1·34	1·30
(*b*) Sugarcane (in terms of gur) . . .	,,	5·01	6·07	6·95	7·15	7·34	7·95	10·61	10·14	9·37
(*c*) Cotton . . .	million bales†	2·63	4·00	4·71	4·74	4·66	3·52	5·39	4·51	5·31
(*d*) Jute . . .	million bales‡‡	3·09	4·20	4·29	3·98	5·16	4·50	3·98	6·35	5·37
(*e*) Mesta . . .	million bales‡‡	n.a.	1·15	1·47	1·30	1·70	1·14	1·13	1·69	1·52

*Partialy Revised Estimates
**Final Estimates.

†Bale—392 lb.
‡Bale—400 lb.

1·4 : NET AVAILABILITY OF CEREALS AND PULSES

Year	Population (millions)	Cereals: Production (million tons) Gross	Cereals: Production (million tons) Net	Cereals: Withdrawals: Net imports (million tons)	Cereals: Withdrawals: (+)from Government stocks (million tons)	Cereals: Withdrawals: Net availability (million tons)	Pulses: Net availability (million tons)	Per capita net availability (ozs. per day): Cereals	Per capita net availability (ozs. per day): Pulses
1951	363·4	43 74	38 27	4·73	(—)0·58	42·42	7·49	11·5	2·0
1952	369 6	44 29	38 75	3 86	(—)0 61	42 00	7 40	11 2	2 0
1953	376 1	49·47	43 29	2·00	(+)0 48	45 77	8 02	11 9	2·1
1954	382 9	58·32	51·03	0·82	(—)0·20	51 65	9 02	13 2	2 3
1955	390 2	56 38	49 33	0·59	(+)0 73	50 65	9 41	12 7	2 4
1956	397·8	54·94	48·07	1·37	(+)0·60	50·04	9·50	12·4	2·3
1957	405·8	57·38	50·21	3·57	(—)0·85	52·93	9·94	12·8	2·4
1958	414·3	53·88	47·15	3·17	(+)0·27	50·59	8·22	12·0	1·9
1959	423·3	62·98	55·11	3·80	(—)0·49	58·42	11·32	13·5	2·6
1960	432·7	63·85	55·87	5·05	(—)1·38	59·54	10·16	13·5	2·3
1961*	442·7	67·24	58·84	3·43	(+)0·17	62·44	10·88	13·8	2·4
1962*	453·1	68·31	59·77	3·58	(+)0·35	63·70	10·02	13·8	2·2
1963*	463·0	66·04	57·78	4·48	(—)0·07	62·19	10·04	13·2	2·1

*Provisional.

NOTES : 1. Production figures relate to agricultural year, July-June; 1951 figures correspond to 1950-51, and so on for subsequent years. These estimates upto the year 1955-56 are adjusted with 1956-57 revised production as the base. Figures for 1956-57, 1957-58, 1958-59 and 1959-60 are based on Revised Estimate, for 1960-61 and 1961-62 on Partially Revised Estimate and for 1962-63 on Final Estimate of production.

2. Net production has been taken as 87·5% of the gross production, 12·5% being provided for seed requirements, wastage and non-food purposes.

3. Population figures relate to mid-year and exclude Sikkim. For the years 1951- to 1962, these are as framed by the office of the Registrar General of India. Figures for 1963 are estimates.

1·5 : INDEX NUMBERS OF INDUSTRIAL PRODUCTION

(1956=100)

	1951	1955	1958	1959	1960	1961	1962	1963 (Jan-Oct.)*	1962 (Jan-Oct.)	Percent change in col. (9) over col. (10)
1	2	3	4	5	6	7	8	9	10	11
GENERAL INDEX	*73·0*	*92·3*	*108·1*	*117·0*	*130·2*	*139·4*	*150·0*	*161·4†*	*148·3†*	*+8·8*
Mining and quarrying	87·0	97·1	116·0	122·7	137·2	147·3	161·3	175·8	157·1	+11·2
Food manufacturing	79 6	93 3	107 6	109 6	117 4	129 3	127·4	117 9	128·3	—8·1
Cigarettes	81 6	86 8	113 4	122 9	140 6	150·0	155·7	152 3	153 5	—0 8
Cotton textiles	79 1	95 2	101 1	101 2	102 9	109·0	109·6	111·7	109 4	+2·1
Woollen textiles	70 7	83 2	116·7	104 1	101 3	107·3	138·4	166·4	135·2	+23·1
Synthetic fibres	58 1	81 6	115 3	137·5	146 8	166·7	156·0	199·6	156 6	+27·5
Jute man fact res	78 8	93·5	97 3	98 3	99 3	89·6	109·8	116·7	108·9	+7·2
Footwear (leather)	91 5	86 3	114 3	120 2	144 0	166·0	180·4	218·2	176 2	+23·8
Wood and cork except furniture	55 3	87 7	105 4	137 2	147 8	150·2	162·4	189 8	162·8	+16·6
Paper and paper products	66·5	95·9	127·3	145·4	173·4	181·9	190·6	221·8	186·7	+18·8
Leather and fur products, except foot-wear and other wearing apparels	109·5	93·1	94·7	101 6	167·1	115·6	125·2	150·1	124·1	+20·9
Rubber products	75 4	92·0	108 1	118 1	141 3	157·4	169·4	185·1	166 1	+11 4
Chemicals and chemical products	72·9	96 3	112 5	128 3	149 1	173·0	183 9	217·5	180·1	+20 8
Petroleum products	6 4	77 9	121 9	132 9	148 0	159·4	169·0	194·4	164 6	+18·1
Non-metallic mineral products	64 4	87 5	128 7	146 0	168 1	180 8	191 2	199 9	187 3	+6 7
Basic metals	83·5	96 6	106 7	138·5	183·1	184·3	227 9	259 7	220 9	+17 6
Metal products	54 4	96 5	102 5	98 3	105 9	152·3	179·1	195 5	176 2	+10·9
Machinery, except electrical machines	45·2	83 3	148·3	185·8	236·7	264·0	285·2	351·7	276·9	+27·0
Electrical machinery, apparatus, appliances and supplies	43 6	71·9	124·6	133·4	175·9	183·0	211·2	235·5	204·9	+14·9
Transport equipment	46 1	73·1	95·5	98·3	119·4	130·8	14[illegible]·5	143·8	142·9	+0 6
Electricity	60 9	88·1	127·4	151·4	171·0	198·8	223·4	253·3	221·5	+14·4

*Provisional

†Seasonally adjusted.

1.6 : PRODUCTION IN SELECTED INDUSTRIES

	Unit	1950-51	1955-56	1960-61	1961-62	1962-63					1963-64*	
						Total	1sr Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.
I. MINING :												
1. Coal	million tonnes	32·8	39·0	55·5	55·2	63·8	15·0	14·9	16·6	17·3	16·7	16·3
2. Iron Ore	million tonnes	3·0	4·3	10·9	12·8	13·3	3·1	3·0	3·4	3·8	3·6	3·7
II. METALLURGICAL INDUSTRIES :												
3. Pig iron	million tonnes	1·6	1·8	4·3	5·1	6·1	1·4	1·4	1·6	1·7	1·7	1·7
4. Steel ingots	million tonnes	1·5	1·7	3·4	4·3	5·4	1·2	1·3	1·4	1·5	1·5	1·5
5. Finished steel	million tonnes	1·0	1·3	2·4	3·0	4·0	0·9	0·9	1·1	1·1	1·0	1·1
6. Steel castings	'000 tonnes	..	15	35	41	44	10	11	11	12	12	13
7. Aluminium (virgin metal)	'000 tonnes	4·0	7·4	18·5	19·7	42·8	5·9	10·5	13·1	13·3	13·2	13·0
8. Copper (virgin metal)	'000 tonnes	7·1	7·6	9·0	9·2	9·7	2·6	2·5	2·5	2·1	2·5	2·4
III MECHANICAL ENGINEERING INDUSTRIES :												
9. Machine tools	million rupees	3	8	72	85	115	24	26	30	35	36	38
10. Railway Wagons	'000 nos	..	15·3‡	9·0	11·4	15·3	3·2	3·9	3·7	4·5	4·5	4·7
11 *Automobiles (total)*	'000 nos	16·5	25·3	54·8	54·6	54·8	13·7	13·9	14·3	12·9	12·0	10·9
(*i*) Commercial vehicles	'000 nos	8·6	9·9	28·2	25·4	26·5	6·4	6·2	7·0	6·9	6·7	7·0
(*ii*) Passenger cars etc	'000 nos	7·9	15·4	26·6	29·2	28·3	7·3	7·7	7·3	6·0	5·3	3·9
12. Motor cycles and scooters	'000 nos	..	0·9‡	17·6	19·1	23·6	6·1	5·1	6·5	5·9	4·9	6·0
13. Power driven pumps	'000 nos	35	37	105	129	131	33	31	31	36	38	38
14. Diesel engines (stationary)	'000 nos.	5·5	10·4	43·2	43·0	45·2	9·7	10·0	12·3	13·2	14·2	14·2

15. Bicycle . . .	'000 nos.	99	513	1063	1044	1106	297	269	266	274	298	299
16. Sewing machines . .	'000 nos.	33	111	297	323	339	88	89	82	80	101	102
IV. ELECTRICAL ENGINEERING INDUSTRIES :												
17. Power transformers	million k.v.a.	0·18	0·63	1·39	1·98	2·41	0·58	0·57	0·58	0·68	0·65	0·63
18. Electric motors . .	'000 h.p.	99	272	728	868	1034	243	248	257	286	306	286
19. Electric fans . .	million nos.	0·20	0·29	1·06	1·08	1·18	0·31	0·27	0·28	0·32	0·32	0·29
20. Electric lamps . .	million nos.	15·0	25·0	43·5	48·8	61·7	13·7	15·1	16·3	16·6	18·6	17·8
21. Radio receivers . .	'000 nos.	54	102	280	348	361	80	79	101	101	98	110
22. *Electric Cables and Wires* :												
(*i*) Aluminium conductors	'000 tonnes	..	9·2	23·7	22·1	30·6	6·3	7·2	8·4	8·7	7·7	7·7
(*ii*) Bare copper conductors	'000 tonnes.	5·0	8·7	10·1	7·1	4·2	1·0	1·2	1·0	1·0	0·8	1·1
V. CHEMICAL AND ALLIED INDUSTRIES :												
23. Ammonium sulphate	'000 tonnes	47	400	402	394	423	99	97	115	112	110	108
24. Superphosphate . .	'000 tonnes	57	71	317	378	470	96	114	140	120	145	150
25. Sulphuric acid . .	'000 tonnes	101	167	360	435	483	106	117	135	125	140	142
26. Soda Ash . . .	'000 tonnes	46	82	147	181	236	54	53	63	66	66	65
27. Caustic soda . .	'000 tonnes	12	36	99	123	130	29	33	34	34	36	39
28. Paper and paperboards .	'000 tonnes	116	190	349	371	401	94	97	103	107	110	121
29. *Rubber tyres* :												
(*i*) Automobile tyres	million nos.	n.a.	0·90	1·49	1·59	1·75	0·42	0·43	0·42	0·48	0·46	0·50
(*ii*) Bicycle tyres .	million nos.	n.a.	5·80	11·15	11·33	12·43	2·99	3·08	3·06	3·30	3·41	3·82
30. Cement . . .	million tonnes .	2.7	4.7	7·9	8·3	8·9	2·1	2·0	2·4	2·4	2·3	2·2
31. Refractories . . .	'000 tonnes	237	293	559	602	674	160	163	177	174	172	167
32. Petroleum products (refined)	million tonnes	0·4	3·7	6·1	6·2	6·9	1·5	1·8	1·8	1·8	1·9	1·9

1.6: PRODUCTION IN SELECTED INDUSTRIES—*concld.*

	Unit	1950-51	1955-56	1960-61	1961-62	1962-63					1963-64*	
						Total	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.
VI. TEXTILE INDUSTRIES												
33. Jute textiles	'000 tonnes	837	1071	1071	1002	1202	294	310	296	302	311	316
34. Cotton yarn	million kgs.	534	744	801	873	857	213	216	215	213	216	227
35. *Cotton cloth (total)*	million metres	*4215*	*6260*	*6738*	*7115*	*6928*	*1750*	*1779*	*1676*	*1723*	*1723*	*1745*
(*i*) Mill Sector	million metres	3401	4665	4649	4686	4498	1147	1162	1108	1081	1103	1115
(*ii*) Decentralised sector	million metres	814	1595	2089	2429	2430	603	617	568	642	620	630
36. Rayon yarn†	'000 tonnes	2·1	13·5	43·8	52·3	62·3	14·9	15·4	16·1	15·9	15·7	16·2
37. *Woollen manufactures* :												
(*i*) Woollen and worsted yarn	million kgs.	8·7	9·8	12·9	15·8	19·6	4·2	4·8	5·2	5·4	6·0	5·7
(*ii*) Woollen and worsted fabrics	million metres	n.a.	13·7	13·3	14·5	18·9	4·2	5·5	4·8	4·4	5·2	5·7
VII. FOOD INDUSTRIES :												
38. Sugar (Nov-Oct.)	'000 tonnes	1·1	1·9	3·0	2·7	2·2	..	..	..	..	..	..
39. Tea	million kgs.	277	299	318	348	343	83	150	95	15	76	152
40. Coffee	'000 tonnes	21·0	29·0	54·1	66·6	49·0	16·3	4·6	3·9	24·2	20·8	7·9
41. Vanaspati	'000 tonnes	155	280	355	336	366	88	87	91	100	96	89
VIII. ELECTRICITY (GENERATED)	billion kwh.	5·3	8·8	17·0	19·8	22·1	5·3	5·5	5·5	5·8	6·1	6·4

*Provisional
†Includes viscose yarn, staple fibre and acetate yarn.
‡Relates to calendar year.

I·7 : STOCKS OF SELECTED COMMODITIES

At the end of	Raw Cotton with mills* ('000 bales)		Raw jute with mills ('000 bales)	Cotton cloth (unsold) with mills (million metres)	Jute textiles with mills ('000 tonnes)	Sugar with mills ('000 tonnes)	Coal ('000 tonne)	
	Indian	Foreign					Pit-head	Industries
1956 . . .	1408	205	1132	372	97	551	2810	1735
1957 . . .	1120	224	1220	618	76	465	3331	1467
1958 . . .	1136	139	1644	439	111	367	2808	3130
1959 . . .	1047	151	1692	187	60	176	2729	2650
1960 . . .	961	404	907	311	82	605	3458	2531
1961 . . .	1413	397	1240	292	56	1203	3290	2273
1962 . . .	1217	242	2245	432	83	1020	3483	2899
1963 . . .	1576	212	2323	n.a.	113	157	n.a.	n.a.
1962 :								
January .	1076	302	1505	284	60	1695	3428	2189
February . .	1084	300	1763	275	62	2020	3735	222
March . .	1196	288	1969	262	61	2305	3767	2219
April . .	1300	262	2002	257	60	2392	3731	2357
May . .	1360	230	1902	265	84	2287	3869	2355
June . . .	1371	228	1723	281	80	2084	3840	2421
July . . .	1267	223	1507	315	86	1822	3558	2601
August . .	1217	242	1283	314	91	1545	3299	2477
September .	951	319	1230	331	94	1300	3202	2627
October . .	746	342	1470	350	91	1020	2954	2924
November . .	583	295	1856	397	91	942	3331	2974
December . .	589	252	2245	432	83	1169	3483	289
1963 :								
January . .	767	215	2406	387	90	1476	3761	2934
February . .	1031	196	2490	257	82	1607	4099	3409
March . .	1460	192	2528	290	91	1658	4086	3611
April . .	1710	185	2433	246	91	1494	4267	3648
May . .	1845	190	2232	228	96	1199	4529	3646
June . . .	1840	184	1955	229	96	956	4538	3748
July . . .	1696	200	1572	222	104	731	4430	3621
August . .	1576	212	1283	237	104	502	4347	3893
September .	1356	225	1261	228	107	307	4393	4307
October . .	1168	207	1575	229	108	157	4314	4351
November . .	1040	185	2008	212	111	260	4467	4365
December . .	n.a.	n.a.	2323	n.a.	113	524	n.a.	n.a.

*Annual figures relate to end of August.

†Annual figure relate to end of October.

1·8 : GENERATION AND DISTRIBUTION OF THE ELECTRICITY : PUBLIC UTILITIES

	1950	1955	1956	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64 (First half)
1. *Total Generating Capacity† (million kwh)*	*1·7*	*2·7*	*2·9*	*3·2*	*3·5*	*3·9*	*4·6*	*5·0*	*5.8*	*n.a*
(*a*) Steam plant	1·0	1·6	1·6	1·8	1·9	2·1	2·4	2·5	2·5	n.a.
(*b*) Oil plant	0·1	0·2	0·2	0·2	0·3	0·3	0·3	0·3	0·3	n.a.
(*c*) Hydro plant	0·6	0.9	1·1	1·2	1·3	1·5	1·9	2·2	3·0	n.a.
2. *Total Electricity Generated‡(million kwh)*	*5,107*	*8,592*	*9,662*	*11,369*	*12,994*	*15,033*	*16,937*	*19,670*	*22,365*	*12,055*
(*a*) Steam plant	2,387	4,619	5,134	6,042	6,848	7,678	8,732	9,476	10,177	5,204
(*b*) Oil plant	200	231	233	254	298	327	368	380	384	161
(*c*) Hydro plant	2,520	3,742	4,295	5,072	5,848	7,027	7,837	9,814	11,084	6,690
3. *Total Electricity sold (million kwh)*	*4,156*	*7,111*	*7,959*	*9,345*	*10,719*	*12,407*	*13,841*	*16,448*	*18,675*	*10,23}*
(*a*) Domestic light and small power	525	850	934	1,093	1,238	1,379	1,492	1,698	1,917	917
(*b*) Commercial light and small power	309	514	546	610	683	766	848	934	1,048	539
(*c*) Industrial power	2,604	4,698	5,323	6,167	7,224	8,455	9,584	11,545	13,108	7,390
(*d*) Irrigation	162	255	316	545	583	754	833	991	1,103	608
(*e*) Other purposes	557	794	840	930	990	1,053	1,083	1,280	1,499	779

*Provisional

†At the end of the period

‡Excludes purchases from non-public utilities.

2·1 : NETCAPITAL FORMATION OUT OF THE BUDGETARY RESOURCES OF THE CENTRAL GOVERNMENT

(Rs. crores)

	1950-51 (Acct.)	First Plan 1951-56	Second Plan 1956-61	1956-57 (Acct.)	1957-58 (Acct.)	1958-59 (Acct.)	1959-60 (Acct.)	1960-61 (Acct.)	1961-62 (Acct.)	1962-63 (R.E.)	1963-64 (B.E.)
A. *Net Capital Formation by the Central Government*											
(*a*) Fixed assets . .	49·2	374·7	925·4	183·7	186·7*	179·9	171·5	203·6	270·4	365·6	437·2
(*b*) Works Stores .	9·9	9·8	8·3	23·0	37·2	21·0	—34·5	—38·4	—0·7	13·5	12·8
(*c*) Increase in policy stocks of foodgrains	—9·3	25·9*	74·6*	—9·2*	21·8*	162*	—2·4*	48·2	17·8	30·5	59·5
TOTAL . . .	49·8	410·4	1008·3	197·5	245·7	217·1	134·6	213·4	287·5	409·6	509·5
B. *Financial Assistance for net Capital Formation* :											
(*a*) To State Governments	41·1	808·9	1373·2	206·0	261·6	283·1	303·2	319·3	374·4	451·0	513·3
(*b*) To Non-Departmental Commercial Undertakings† . .	5·2	71·1	931·1	60·6	170·3	256·0	233·5	210·7	208·6	262·7	317·4
(*c*) To Others‡ . .	2·4	105·9	158·1	32·9	42·9	31·8	25·9	24·6	36·3	35·1	37·4
TOTAL . . .	48·7	985·9	2462·4	299·5	474·8	570·9	562·6	554·6	619·3	748·8	868·1
C. *Net Capital Formation out of Budgetary resources of Centarl Government* (A+B) . . .	98·5	1396·3	3470·7	497·0	720·5	788·0	697·2	768·0	906·8	1158·4	1377·6

*Revised

†Public undertakings operated by autonomous corporations or companies.

‡Includes loans and grants to local authorities for capital formation.

3·1 EMPLOYMENT EXCHANGE STATISTICS

	Employment Exchanges at the end of the period	Registrations during the period ('000)	Vacancies notified during the period ('000)	Placements during the period ('000)	Applicants on Live Register at the end of the period ('000)
1950	123	1,210	419	331	331
1955	136	1,584	281	170	692
1956	143	1,670	288	190	759
1957	181	1,775	297	193	922
1958	212	2,204	365	233	1,183
1959	244	2,472	424	271	1,421
1960	296	2,733	520	306	1,606
1961	325	3,230	708	404	1,833
1962	342	3,845	790	458	2,380
1963	353	4,152	909	536	2,518
1962 :					
January	328	275	56	36	1,866
February	328	208	48	29	1,861
March	334	274	57	31	1,854
April	341	309	70	33	1,924
May	342	320	76	41	1,982
June	342	353	67	39	2,063
July	342	388	71	42	2,147
August	342	356	64	40	2,212
September	342	315	63	39	2,223
October	341	269	62	37	2,198
November	342	387	86	45	2,266
December	342	392	70	45	2,380
1963 :					
January	343	342	67	43	2,454
February	345	287	62	38	2,460
March	349	321	76	41	2,483
April	350	357	80	41	2,563
May	350	359	88	46	2,633
June	350	395	77	43	2,685
July	350	466	78	45	2,744
August	350	371	81	47	2,738
September	350	356	76	47	2,717
October	352	312	80	59	2,663
November	352	273	68	41	2,606
December	353	314	75	45	2,518

4·1 MONEY SUPPLY WITH THE PUBLIC AND RELATED MONETARY DATA

(Amounts in Rs. crores)

	Outstandings as on		Variations during			
	January 17, 1964	March 31, 1963	1963-64 March 31 to January 17	1962-63 March 31 to March 31	1962-63 March 31 to January 18	1961-62 March 31 to March 31
I. MONEY SUPPLY—						
1. Currency with the Public	2556·02	2386·45	+169·47	+178·74	+104·09	+109·76
2. Demand deposits of banks	1079 38	906·89	+172 49	+ 74 37	+ 34 35	+ 75·42
3. Other deposits' with the R.B.I.	41 67	29·48	+12 19	+ 6 14	— 0 99	+ 4·38
4. Money supply with the Public (1+2+3)	3677·07	3322·92	+354·15	+259·25	+137·45	+189·56
II. ALLIED DATA—						
A. *Reserve Bank of India*						
1. Deposits of Central Government	52·66	104·81	—52·15	—33·70	—84·64	+62·05
2. Deposits of State Governments	23·34	41 73	—18 39	+31·06	+ 9 70	—18·32
3. Deposits of Banks	85·12	74 99	+10 13	+ 2·01	+7 ·66	+ 2·13
4. Foreign Assets	109·70	115 54	— 5 84	—12 61	—32 53	— 8·10
5. Rupee Securities	2328 43	2194 91	+133 52	+224 73	+128 80	+157 03
6. Loans and Advances to Governments	57 15	49 80	+ 7 35	—35 82	—44 25	+46 60
7. Other Loans and Advances	175 19	210 81	—35 62	+ 34·45	— 0·03	— 9·14
8. Bills purchased and discounted	69 85	62·83	+7 02	+ 9·25	+ 5·98	+14·41
B. *Scheduled Banks*						
9. Demand Deposits	1026·66	866·08	+160·58	+72 ·22	+36·43	+ 74·14
10. Time Deposits	1234 83	1187 31	+47 52	+50 10	+78 34	+110 87
11. Total Deposits	2261 49	2053 39	+208·10	+122 32	+114 77	+185 01
12. Borrowings from the R.B.I.	32 04	71 97	—39 93	+19 68	—25 09	—42·24
13. Cash in India	58 78	49 72	+ 9 06	+1 84	+ 7·73	+ 2 32
14. Balances with the R.B.I.	79 45	80 17	— 0 72	+8·42	+ 4 86	+ 0·73
15. (13+14) as per cent of (11)	6 11	6 33	..	..	..	..
16. Investments in Government securities	687·08	602 84	+84·24	+ 1·72	+41·09	+42·54
17. (16) as per cent of (11)	30·38	29 36	..	..	..	..
18. Scheduled Bank Credit†	1652 89	1598 00	+54·89	+187·22	+53·11	+91·24
19. (18) as per cent of (11)	73 09	77 82	..	..	..	..

*Excluding balances held on I.M.F. Account No. 1 and some extraordinary items.
†Exclusive of advances 'due' from banks.

4·2 : ANALYSIS OF MONEY SUPPLY VARIATIONS*

(Rs. crores)

	Variations during			
	1963-64 (March 31 to Jan. 17)	1962-63 (March 31 to March 31)	1962-63 (March 31 to Jan. 18)	1961-62 (March 31 to March 31)
A. *Money Supply with the Public* (1+2)	*+354·15*	*+259·25*	*+137·45*	*+189·56*
1. Currency with the Public	+169·47	+178·74	+104·09	+109·76
2. Deposit money	+ 184·68	+ 80·51	+33·36	+ 79·80
B. *Factors Affecting Money Supply Variations* (1+2+3+4—5—6)				
1. *Net Bank Credit to Government* (a+b)	*+300·72*	*+204·87*	*+213·40*	*+214·30*
(a) Reserve Bank's net credit to Government (i+ii+iii+iv—v)	+215·58	+200·13	+169·11	+171·45
(i) R.B.I. holdings of Government securities	+133·52	+224·63	+128·80	+157·03
(ii) Rupee coin	— 2·85	— 0·67	+ 3·64	— 2·86
(iii) Treasury bills purchased and discontinued by R.B.I.	+ 7·02	+ 9·25	+ 5·98	+ 14·41
(iv) Loans and advances to State Governments	+ 7·35	— 35·82	— 44·25	+ 46·60
(v) Government deposits with the R.B.I.	—70·54	— 2·64	— 74·94	+ 43·73
(b) Banks' holdings of Government securities	+ 85·14	+ 4·74	+ 44·29	+ 42·85
2. *Net bank credit to private sector* (a—b)	*+ 46·45*	*+169·10*	*+ 27·08*	*+ 26·59*
(a) Banks' advances and holdings of private securities	+101·38	+222·29	+109·68	+133·40
(b) Banks' time deposits	+ 54·93	+ 53·19	+ 82·60	+106·81
3. *Net foreign exchange assets of the R.B.I.*	*+ 4·05*	*— 26·54*	*— 45·94*	*— 68·05*
4. *Government's net currency liabilities to the public*	*+ 13·19*	*+ 7·88*	*+ 2·82*	*+ 20·93*
5. *Net non-monetary liabilities of the R.B.I.*	*—5·60*	*+ 27·59*	*+ 7·53*	*— 2·76*
6. *Net non-monetary liabilities of banks (including some errors and omissions)*	*+ 15·86*	*+68·47*	*+ 52·39*	*+ 6·97*

*Provisional

NOTE.— Ignoring the withdrawal of currency (Rs. 34·17 crores) from Kuwait, the increase in currency with the public and hence in money supply with the public would be Rs. 143·93 crores and Rs. 223·73 crores respectively for 1961-62. Reserve Bank's net credit to Government will be more by Rs. 34·17 crores than is indicated in the table.

The analysis in the above table is in terms of the recorded changes in the balance sheets of the Reserve Bank and the banks. These changes include variations in P.L. 480 665 Funds kept with the State Bank mostly as time deposits. If, for purposes of monetary analysis, these funds are treated, as they should be, as Government deposits rather than as private deposits and consequential adjustments are made in the above table, Government indebtedness to banks would increase and private indebtedness to banks would decrease by an amount equivalent to the decline in these deposits.

A treatment along the above lines is adopted in the table on variations in money supply given in the text (Part II, Monetary Trends).

4·3: SECURED ADVANCES OF SCHEDULED BANKS

(Rs. crores)

Nature of security	December 27, 1963	Variations during 1963-64 Busy Season (Oct. 25—Dec. 27)	1963 Slack Season (April 26—Oct. 25)	1962-63 Busy Season (Oct. 26—Dec. 28)	1962-63 Busy Season (Oct. 26—April 26)
I. *Food Articles*	*62·66*	*+13·62*	*—87·10*	*—2·16*	*+ 38·10*
1. Paddy and rice	10·89	+5·17	—11·04	+ 2·25	+ 8·87
2. Wheat	6·10	— 1·39	+ 1·16	—1·38	— 3·83
3. Other grains and pulses	9·38	+ 0·22	— 1·37	— 2·30	+ 0·35
4. Sugar and gur	22·68	+ 5·43	—68·56	— 3·34	+ 26·21
5. Vegetable oils (including vanaspati)	13·61	+ 4·19	— 7·29	+ 2·61	+ 6·50
II. *Industrial Raw Materials.*	*151·65*	*+45·66*	*— 80·26*	*+ 28·87*	*+102·38*
1. Groundnuts	13·53	+ 11·77	— 11·56	+7·48	+ 10·03
2. Other oilseeds	10·41	+ 0·82	— 10·12	— 2·06	+ 10·78
3. Cotton and Kapas	87·97	+ 23·87	— 50·79	+14·02	+ 66·50
4. Raw Jute	33·04	+ 8·80	— 7·49	+ 8·67	+ 13·51
5. Hides and Skins	6·70	+ 0·40	— 0·30	+0·76	+ 1·56
III. *Plantation Products*	*48·57*	*— 7·04*	*+ 0·64*	*— 4·81*	*+ 1·75*
1. Pepper and other spices	4·66	+ 1·45	—2·09	+ 0·24	+ 2·11
2. Cashewnuts	4·46	+ 0·52	—2·09	— 0·27	+ 2·06
3. Tea	34·97	—8·58	—7·69	— 4·63	— 5·95
4. Coffee	4·48	—0·43	—2·87	— 0·15	+ 3·53
IV. *Manufactures and Minerals.*	*596·33*	*+24·36*	*+ 26·49*	*+ 29·84*	*+ 35·39*
1. Cotton textiles	135·36	+ 5·90	— 7·18	+8·80	+ 9·37
2. Jute textiles	29·89	+ 2·22	+ 3·79	+ 1·18	— 3·78
3. Other textiles (silk, art silk, woollen etc.)	37·61	+ 0·54	+ 0·50	+ 0·21	+ 7·31
4. Iron, steel and engineering products	203·24	+ 7·77	+ 15·32	+ 9·59	— 5·91

4·3: SECURED ADVANCES OF SCHEDULED BANKS—(*concld.*)

(Rs. crores)

Nature of Security	December 27, 1963	Variations during 1963-64 Busy Season (Oct 25—Dec. 27)	1963 Slack Season (April 26—Oct. 25)	1962-63 Busy Season (Oct-26—Dec. 28)	1962-63 Busy Season (Oct. 26—April 26)
IV. *Manufactures and Minerals*—(contd.)					
5. Other metals and metal products	29·04	—0·24	—1·75	— 0·14	+ 3·06
6. Coal, manganese, mica and other minerals and minerals oils	23·22	+ 0·30	+ 4·06	+ 0·51	+ 2·53
7. Chemicals, dyes, paints, drugs and pharmaceuticals	51·87	+ 3·55	+ 3·52	+ 3·13	+ 4·98
8. Electrical goods	26·74	+ 0·67	— 0·78	+ 2·67	+ 7·47
9. Rubber and rubber products	14·30	+ 1·71	+ 1·22	+ 2·55	+ 4·33
10. Other manufactured goods	45·06	+ 1·94	+ 7·79	+ ·34	+ 6·13
V. *Other Securities*	*457·81*	*+26·74*	*—17·31*	*— 3·97*	*+19·95*
1. Real Estate	37·05	+ 1·48	+ 2·04	+ 2·07	+ 1·56
2. Gold and silver bullion and ornaments	18·48	+ 0·84	— 0·91	—12·13	—23·82
3. Fixed deposits	26·15	+ 1·32	+ 9·98	+ 2·10	+ 3·15
4. Government and other trustee securities	26·47	+ 1·10	— 6·68	— 1·14	— 2·80
5. Shares and debentures of joint stock companies	116·27	+ 3·36	— 7·65	— 0·83	+ 5.05
6. Assets of industrial concerns—fixed or floating (other than those specified under above categories)	95·57	+ 9·84	+1·92	+ 2·77	+10·68
7. Other secured advances not mentioned above	104·78	+ 4·91	— 7·69	+ 1·50	+20·49
8. Composite advances	33·04	+ 3·89	+ 0·68	+ 1·69	+ 5·64
VI. *Total Secured Advances* (I+II+III+IV+V)	1317·02	+103·34	—157·54	+ 47·77	+197·67

5-1: INDEX NUMBERS OF WHOLESALE PRICES
(1952–53=100)

Average of week	Food Article		Liquor and Tobacco	Fuel, Power, Light and Lubricants	Industrial Raw Materials				Manufactures	All Commodities
	Total	Food-grains			Total	Raw Cotton	Raw Jute	Oilseeds		
Weights	50·4	23·5	2·1	3·0	15·5	3·2	2·3	6·0	29·0	100·0
Financial years										
1955-56	86·6	73·1	81·0	95·2	99·0	96·9	117·1	85·0	99·7	92·5
1956-57	102·3	93·5	84·3	104·2	116·0	110·6	125·5	120·0	106·3	105·3
1957-58	106·4	97·5	94·0	113·5	116·5	106·1	132·8	120·4	108·1	108·4
1958-59	115·2	106·3	95·4	115·4	115·6	99·2	117·5	127·0	108·4	112·9
1959-60	119·0	102·3	99·5	116·5	123·7	105·8	124·5	134·6	111·7	117·1
1960-61	120·0	102·3	109·9	120·0	145·4	111·8	210·2	149·9	123·9	124·9
1961-62	120·1	100·4	100·3	122·1	142·6	108·5	178·0	156·4	126·6	125·1
1962-63	126·1	105·5	100·9	124·4	136·5	112·7	146·7	151·4	128·8	127·9
Calendar years										
1955	85·4	69·7	82·3	95·2	97·3	95·0	122·0	79·4	99·4	91·5
1956	99·0	89·7	82·3	101·6	113·2	108·7	122·2	114·9	104·9	102·7
1957	106·8	98·5	91·8	111·5	118·1	108·2	135·8	122·4	108·0	108·7
1958	112·0	102·8	93·7	114·9	114·7	99·9	120·4	123·7	108·2	111·0
1959	118·2	103·5	100·7	116·1	119·7	102·7	117·8	131·2	109·7	115·5
1960	120·2	103·0	106·4	118·9	138·8	112·6	178·5	144·9	120·8	122·9
1961	119·5	99·7	103·6	121·9	147·7	108·4	207·7	157·8	127·2	125·8
1962	124·9	105·3	99·5	123·0	137·3	112·3	146·2	154·0	128·1	127·2
1963	132·7	111·0	115·4	136·3	137·2	116·7	147·4	150·3	130·3	132·4
1961—										
January	116·4	98·3	111·2	121·3	155·0	111·3	247·8	159·6	127·5	125·6
February	116·3	98·5	110·2	121·7	159·4	110·0	279·8	158·4	129·3	126·8
March	117·5	98·8	113·4	121·9	159·1	110·9	270·9	157·9	129·7	127·5
April	117·6	97·2	112·0	121·5	153·1	110·0	242·8	157·2	127·5	126·0
May	117·2	97·3	104·1	121·6	153·2	110·0	245·2	156·6	126·9	125·4
June	120·6	99·8	100·1	123·3	148·8	109·5	207·9	160·5	126·2	126·2
July	124·2	101·8	98·6	122·1	151·4	107·2	215·4	165·4	127·6	128·8
August	124·3	102·4	99·9	122·3	144·6	105·0	179·9	162·7	126·3	127·5
September	121·1	100·8	99·7	121·4	138·3	104·2	155·4	156·3	125·5	124·6
October	120·9	100·8	99·5	121·8	136·0	106·6	153·2	149·7	126·5	124·4
November	120·3	100·9	98·3	121·7	137·1	107·6	148·7	153·7	126·6	124·3
December	117·8	99·5	95·3	122·0	136·6	108·7	145·4	153·5	126·6	122·9

contd.

5·1 : INDEX NUMBERS OF WHOLESALE PRICES—*concld.*

(1952–53 = 100)

Average of weeks	Food Article		Liquor and Tobacco	Fuel, Power, Light, and Lubricants	Industrial Raw Materials				Manufactures	All Commodities
	Total	Food-grains			Total	Raw Cotton	Raw Jute	Oilseeds		
Weights	50·4	23·5	2·1	3·0	15·5	3·2	2·3	6·0	29·0	100·0
1962—										
January	118·3	101·0	97·3	122·1	137·5	110·0	145·7	155·7	126·3	123·3
February	119·9	102·6	99·0	122·8	138·7	112·1	148·3	156·2	126·2	124·3
March	119·1	100·7	99·8	122·5	136·1	112·1	148·3	149·3	126·4	123·5
April	120·5	101·1	98·8	122·5	135·1	112·2	140·9	149·9	126·9	124·2
May	124·2	103·0	102·0	122·5	134·9	112·8	139·0	150·0	127·5	126·3
June	125·5	104·5	99·7	123·9	136·1	112·9	143·6	151·6	128·9	127·5
July	128·6	106·9	98·5	123·8	138·8	114·6	148·8	156·3	129·3	129·6
August	131·5	110·1	99·2	122·5	139·6	113·5	145·8	160·4	129·0	131·1
September	130·0	109·7	99·8	124·2	139·8	112·4	150·9	159·5	129·4	130·5
October	129·0	109·7	100·3	123·0	138·8	110·5	150·6	157·7	129·4	129·9
November	129·6	110·1	100·2	123·0	137·8	112·8	147·1	154·6	129·9	130·1
December	122·8	104·0	99·5	124·2	133·9	111·6	144·9	146·4	128·6	125·8
1963—										
January	123·4	103.0	99·3	125·2	133·7	109·5	147·6	145·5	128·5	126·0
February	124·2	102·5	99·3	123·4	133·7	112·3	150·1	142·1	129·2	126·6
March	123·4	101·6	114·2	135·7	135·2	116·8	151·6	143·0	129·6	127·2
April	127·7	106·0	117·7	138·5	136·2	118·8	149·2	145·5	129·9	129·8
May	131·5	109·2	118·4	139·1	137·4	120·0	149·2	148·3	130·7	132·1
June	134·8	111·4	119·2	139·9	138·7	118·5	147·9	152·6	130·5	134·0
July	137·9	114·0	118·8	138·7	138·5	118·1	140·6	155·7	130·6	135·5
August	138·6	114·1	119·1	139·0	138·8	119·1	143·1	154·8	130·9	136·0
September	139·1	116·2	118·5	139·8	141·2	118·4	146·7	161·1	131·2	136·7
October	139·2	117·8	119·6	139·8	138·1	114·0	148·8	154·9	131·1	136·3
November	136·6	118·1	118·5	139·1	136·6	117·0	147·0	148·5	130·8	134·6
December	136·1	118·2	121·6	139·3	138·7	118·2	147·4	152·0	130·9	134·8
1964—										
January	137·8	119·4	122·7	139·4	140·9	119·8	148·8	153·6	131·7	136·2

5·2: WORKING CLASS CONSUMER PRICE INDEX NUMBERS

(Base : Shifted to 1949=100)

Monthly average or months	Bombay	Ahmedabad	Calcutta	Madras	Kanpur	Delhi	Gauhati	All India	
								All Items	Food
Financial years									
1955-56	110	89	93	100	79	100	87	96	94
1956-57	116	101	102	113	91	112	99	107	108
1957-58	122	104	105	117	93	112	104	112	111
1958-59	130	115	109	126	101	117	101	118	121
1959-60	136	124	112	135	97	119	99	123	126
1960-61	137	120	113	146	100	121	104	124	125
1961-62	142	121	115	149	103	128	107	127	126
1962-63	145	121	121	150	106	130	112	131	131
Calendar years									
1955	110	87	92	99	78	99	87	96	92
1956	115	98	98	111	89	109	96	105	105
1957	120	104	105	116	94	114	103	111	112
1958	129	110	110	124	98	113	103	116	118
1959	134	125	110	133	98	120	98	121	125
1960	137	120	113	143	99	120	103	124	126
1961	140	121	114	148	102	127	106	126	126
1962	145	122	120	150	107	130	112	130	130
1963*	145†	119†	..	151	109	134	111†	133†	134†
1962—									
January	142	119	114	149	107	129	109	127	126
February	143	119	114	149	107	129	109	127	125
March	143	121	115	149	105	129	109	127	125
April	143	121	117	149	102	129	111	128	127
May	144	122	119	150	103	127	111	129	128
June	146	124	119	150	106	130	110	130	130
July	146	125	120	151	108	133	112	132	132
August	148	124	123	151	111	134	112	133	134
September	147	125	124	151	110	133	114	133	134
October	145	123	127	151	109	131	117	134	115
November	145	121	125	151	108	130	115	133	134
December	143	117	121	151	105	128	115	131	131

5·2 : WORKING CLASS CONSUMER PRICE INDEX NUMBERS—*concld.*

Base Shif ed to 1949=100)

Monthly average or months	Bombay	Ahmedabad	Calcutta	Madras	Kanpur	Delhi	Gauhati	All India	
								All Items	Food
1963—									
January	143	115	119	150	104	130	110	130	130
February	142	114	122	150	104	130	110	129	129
March	143	115	123	149	104	130	111	130	129
April	142	117	126	149	105	132	112	131	130
May	143	118	128	150	105	132	111	132	132
June	145	120	128	150	106	132	110	134	134
July	146	121	..	151	111	133	111	135	137
August	146	122	..	151	112	134	109	136	137
September	148	123	..	152	113	136	109	137	139
October	148	123	..	151	114	136	112	138	140
November*	148	123	..	153	116	138	112	138	140
December*	n.a.	n.a.	..	157	118	140	n.a.	n.a.	n.a.

* Provisional.

†Average of 11 months.

Note.— For Calcutta, the old series with 1949 as base has been discontinued since June, 1963. According to the new series (base 1960=100), the indices for 1961, 1962 and 1963 were as follows :

1961	101
1962	107
1963 (Jan.—Nov.)	112
1963—	
July	112
August	113
September	116
October	119
November	116

5·3 : INDEX NUMBERS OF SECURITY PRICES—ALL INDIA

Average of weeks ended Saturday	Government and Semi-Government Securities	Debentures of Joint Stock Companies	Preference shares	Variable Dividend Industrial Securities							Total
				Cotton Textiles	Jute Textiles	Iron and Steel	Coal	Cement	Sugar	Financial Institution	
				(Base 1949-50=100)							
1955-56	90·9	100·3	87·3	118†	95	154	81	164	105‡	90·3	121·6
1956-57	90·5	100·1	82·9	134†	70	147	78	176	105‡	92·7	121·2
1957-58	89·3	98·1	74·5	105†	52	119	67	141	95‡	93·3	100·3
				(Base 1952-53—100)							
1957-58*	98·3	99·6	88·0	119·9	63·4	115·7	89·1	125·2	159·7	150·2	125·4
1958-59	99·9	100·1	87·2	113·6	80·2	145·2	107·1	129·0	163·9	176·2	137·3
1959-60	101·2	101·8	92·2	129·2	96·6	161·0	113·7	136·0	178·6	173·6	155·3
1960-61	101·0	100·8	87·2	151·1	90·3	159·5	120·2	143·5	186·8	175·9	171·7
1961-62	100·9	101·1	83·2	180·1	90·9	164·0	123·4	149·0	157·6	206·7	183·7
1962-63	100·1	99·2	81·3	179·8	100·5	150·8	120·4	155·2	135·3	206·0	179·5
1962—											
October	100·3	98·9	81·5	179·1	100·2	154·7	119·9	154·6	135·8	205·8	178·9
November	99·9	99·0	80·9	171·5	96·6	141·2	115·5	146·4	131·6	204·1	170·5
December	99·6	99·0	80·9	172·0	97·2	138·7	115·6	147·4	132·0	204·1	171·4
1963—											
January	99·3	99·0	80·6	171·3	98·2	136·9	117·9	147·8	131·6	203·1	171·1
February	99·2	98·9	80·4	166·7	97·1	132·8	115·7	143·9	128·6	195·2	166·6
March	99·2	98·3	80·3	167·8	94·2	128·7	111·2	144·9	126·2	190·4	164·4
April	98·9	97·1	80·4	165·8	91·4	135·1	107·8	141·1	123·6	188·8	162·3
May	98·7	96·9	81·2	168·8	97·3	144·1	111·9	141·8	123·9	188·8	164·8
June	98·7	97·0	81·6	164·4	98·7	146·2	110·3	138·7	121·5	184·2	161·5
July	98·9	97·3	81·8	162·5	96·8	150·8	107·7	141·2	124·1	184·6	162·2
August	99·1	97·5	81·9	161·3	95·7	146·7	106·3	141·4	122·5	185·1	160·6
September	99·5	97·6	82·2	164·5	100·9	151·8	107·1	139·2	124·1	185·9	164·8
October	99·7	97·7	82·2	170·7	101·5	157·0	108·3	147·8	129·3	187·2	171·0
November	99·9	97·8	81·8	173·5	101·7	159·9	109·3	150·6	138·7	193·0	174·5
December	100·1	98·1	81·5	170·4	97·6	159·1	108·1	148·6	135·4	192·3	172·6

* Average of 40 weeks
†Including woollen and silk textiles
‡Including breweries

6·1 : INDIA'S FOREIGN EXCHANGE RESERVES

(Rs. crores)

End of	Assets*	Gross movements (increase+) (decrease—)	Drawings from the IMF (net)	Net movement excluding drawings (net) from the IMF
1950-51	951·4	+ 28·6	..	+ 28·6
1955-56	824·6	+ 10·5	..	+ 10·5
1956-57	681·1	—143·5**	+ 54·7	—198·2**
1957-58	421·2	—259·9	+ 34·5	—294·4
1958-59	378·9	— 42·3	..	— 42·3
1959-60	362·9	— 16·0	— 23·8	+ 7·8
1960-61	303·6	— 59·2	— 10·7	— 48·6
1961-62	297·3	— 6·3	+ 58·4	— 64·7
1962-63	295·1	— 2·3	+ 11·9	— 14·1
1963-64 (April-December)	289·1	— 6·0	— 11·9	+ 5·9
1962-63 :				
April-June	241·2	— 56·1	..	— 56·1
July-September	245·8	+ 4·6	+ 11·9	— 7·3
October-December	243·6	— 2·2	..	— 2·2
January-March	295·1	+ 51·5	..	+ 51·5
1963-64 :				
April	294·7	— 0·4	..	— 0·4
May	306·4	+ 11·7	..	+ 11·7
June	289·0	— 17·4	— 11·9	— 5·5
Total April-June	..	— 6·1	— 11·9	+ 5·8
July	262·2	— 26·8	..	— 26·8
August	257·2	— 5·0	..	— 5·0
September	267·2	+ 10·0	..	+ 10·0
Total July-September	..	— 21·8	..	— 21·8
October	277·9	+ 10·7	..	+ 10·7
November	273·6	— 4·3	..	— 4·3
December†	289·1	+ 15·5	..	+ 15·5
Total October-December	..	+ 22·0	..	+ 22·0

*Include (i) 7·1 million ounces of gold held by the Reserve Bank of India, valued till October 5, 1956 at Rs. 21·24 per tola and at Rs. 62·50 per tola thereafter as provided under Section 33 of the Reserve Bank of India (Amendment) Act, 1956. (As a result of the figures given below the line are not comparable with the preceding figures), (ii) foreign assets of the Reserve Bank of India, and (iii) Government balances held abroad.

†Provisional.

**Unadjusted for gold revaluation by Rs. 77·8 crores.

6.2 : INDIA'S BALANCE OF PAYMENTS

(Rs. crores)

	1957-58	1958-59	1959-60	1960-61	1961-62@	1962-63*					1963-64*		
						1st Qr.	2nd Qr.	3rd rQ.	4th Qr.	Total	1st Qr.	2nd Qr.	Total April to Sept.
1. Imports c.i.f.	1233·2	1029·3	932·3	1105·7	1001·6	268·0	268·8	270·0	274·6	1089·4	300·4	294·4	594·8
(a) Private	707·6	511·8	524·2	644·0	638·3	155·6	166·9	156·8	146·6	625·9	162·3	148·0	310·3
(b) Government**	525·6	517·5	408·1	461·7	363·3	112·4	101·9	121·2	128·0	463·5	138·1	146·4	284·5
2. Exports f.o.b.	594·2**	576·3	627·4	630·5	667·7	154·6	160·9	188·7	178·0	682·2	178·0	192·6	370·6
3. *Trade Balance* (2-1)	—639·0	—453·0	—304·9	—475·2	—333·9	—113·4	—107·9	—89·3	— 96·6	—407·2	—122·4	—101·8	—224·2
4. Non-monetary gold movement	..	..	5·9	..	..	..	..	..	..	..	..	..	..
5. Official Donations	32·9	35·6	38·0	45·2‡	45·7	10·2	23·4	20·6	22·8	77·0	14·3	30·4	44·7
6. Other Invisibles (net)	100·3	90·4	75·4	37·6‡	—14·9	—4·0	2·5	—7·1‡	4·9	—3·7‡	9·3	2·5	11·8
7. *Current Account (net)*	—505·8	—327·0	—185·6	—392·4	—303·1	—107·2	—82·0	—75·8	—68·9	—333·9	—98·8	68·9	—167·7
8. Errors and Omissions	—7·9	—29·1	—24·5	— 6·3	5·3	— 5·1	0·9	—18·1	9·1	—13·2	4·6	—24·4	—19·8
9. Official Loans (Gross)	115·0	225·5	187·3	256·6	281·0	62·3	110·0	95·1	116·3	383·7	114·0	98·1	212·1
10. Other Capital transactions (net)	104·3	88·3	30·6	93·6	—47·9	—6·1	—36·3	—3·4	—5·0	—50·8	—14·0	—26·6	—40·6

6·2 : INDIA'S BALANCE OF PAYMENTS—*concld.*

(Rs. crores)

	1957-58	1958-59	1959-60	1960-61	1961-62 @	1962-63*					1962-63*		
						Ist Qr.	2nd Qr.	3rd Qr.	4th Qr.	Total	1st Qr.	2nd Qr.	Total Apr.—Sept.
11. Transactions with I.M.F. (net)	34·5	..	—23·8	—10·7	58·4	..	11·9	..	..	11·9	—11·9	..	—11·9
(*a*) Drawings . . .	34·5	..	..	..	119·1	..	11·9	..	..	11·9	..	..	..
(*b*) Repayments . . .	..	..	23·8	10·7	60·7	..	..	..	..	..	—11·9	..	—11·9
12. Movement in Foreign Exchange Reserves (Increase +) . . .	..	..	..	..	..	..	..	..	..	..	..	..	..
(Decrease —) . . .	—259·9	— 42·3	— 16·0	—59·2	— 6·3	—56·1	+ 4·5	— 2·2	+ 51·5	—2·3	—6·1	—21·8	—27·9

@Revised
*Preliminary
**Excludes lend-lease silver repatriated to U.S.A.
†Includes Rs. 8·4 crores ear-marked by U.S. authorities to finance export of goods and services to Nepal under their economic aid programme to that country.
‡Includes Rs. 8·3 crores paid to the I.B.R.D. as India's contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty signed on September 19, 1960.

NOTE— Imports and exports data include exports from and imports into Goa for the period 1962-63 and the first half of 1963-64.

6.3 : MAIN ITEMS OF PRIVATE IMPORTS

(Rs. crores)

	1957-58	1958-59	1959-60	1960-61	1961-62@	1962-63** April-June	July-Sept.	Oct-. Dec.	Jan.-March	Total	1963-64** April-June	July-Sept.	Total April-Sept.
1. Food, drink and tobacco†	27·9	18·9	20·1	25·8	21·7	4·8	5·1	8·5	7·2	25·6	5·6	4·2	9·8
2. Drugs and medicines	15·6	10·0	8·8	9·0	8·4	1·9	1·6	1·6	1·4	6·5	1·3	1·1	2·4
3. Paper, paper board and news-print	12·1***	7·1£	8·4	9·2	10·4	1·7	2·0	1·8	2·1	7·6	1·7	1·7	3·4
4. Electrical goods	24·8	15·6	14·5	17·5	20·3	5·0	5·2	4·5	5·0	19·7	5·4	5·4	10·8
5. Mineral Oils etc.	79·9	56·0	88·0	87·4	85·9	22·2	21·8	20·1	16·3	80·4	24·1	20·6	44·7
6. Cotton —raw and waste	19·2	25·1	39·6	81·1	62·9	10·7	26·7	8·0	10·5	55·9	13·7	10·8	24·5
7. Jute—raw and waste	6·4	2·6	2·8	5·4	6·5	0·5	0·4	1·2	0·6	2·7	0·9	0·4	1·3
8. Chemicals	21·8	24·3	28·4	33·1	38·1	10·5	12·3	11·1	9·1	43·0	9·0	9·0	18·1
9. Dyes and colours	14·4	12·5	10·8	12·1	11·4	2·9	2·7	2·4	2·3	10·3	2·0	2·1	4·1
10. Metal —Iron and Steel	82·7	41·7	31·4	58·8	61·3	12·9	14·5	13·5	11·4	52·3	13·3	12·1	25·4
11. Metals—Other than iron and Steel	33·5	23·9	25·3	35·4	34·4	9·8	10·1	9·8	9·0	38·7	10·0	8·5	18·5
12. Textile yarns	26·7‡	22·8‡	17·6£££	15·6	11·6	3·3	2·9	3·4	2·9	12·5	2·1	2·9	5·0
13. Machinery	166·2	109·7	96·0	116·6	39·0	35·9	33·3	31·8	36·7	137·7	40·8	38·7	79·5
14. Vehicles (including locomotives)	35·7	24·8	32·9	44·5	42·3	8·6	7·0	11·0	7·1	33·7	7·9	7·3	15.2
15. Ships, aircrafts and parts	4·7	7·2	8·0	6·0	4·0	0·9	0·3	1·0	0·9	3·1	0·6	0·3	0·9
TOTAL (including others)	707·6	511·8	524·2	644·0	638·3	155·6	166·9	156·8	146·6	625·9	162·3	148·0	310·3

*Based on ECD data.
†Including cashew nuts.
**Preliminary.
@Revised.
‡Including textile fabrics.
£Including stationery during April—December, 1958.
£££Including textile fabrics during April-September, 1959.
***Including stationery.

6 4: IMPORTS ON GOVERNMENT ACCOUNT†

(Rs. crores)

	1957-58	1958-59	1959-60	1960-61	1961-62‡	1962-63*			1963-64*		
						1st half	2nd half	Total	1st quarter	2nd quarter	Total 1st half
1. Food	165·3	150·7	150·1	213·2	117·0	79·6	86·8	166·4	46·0	52·0	98·0
2. Capital equipment for Government projects .	104·7	144·2	93·6	99·7	102·3	52·4	80·6	133·0	48·7	49·4	98·1
3. Iron and Steel . .	49·7	42·7	15·5	21·1	27·6	12·9	11·8	24·7	5·2	4·4	9·6
4. Railway Stores .	50·3	51·8	16·9	20·2	12·5	17·0	10·9	27·9	7·4	5·1	12·5
5. Communication Stores.	30·3	11·7	19·1	15·4	16·4	6·8	7·2	14·0	3·4	4·1	7·5
6. Others (including non-ferrous metals fertilisers, mineral oils, etc.) .	137·2	124·3	117·2	92·1	87·5	45·6	51·9	97·5	27·4	31·4	58·8
TOTAL . . .	525·6	517·5	408·1	461·7	363·3	214·3	249·2	463·5	138·1	146·4	284·5

*Preliminary

†Based on ECD data.

‡Revised.

NOTE—On account of finalisation of quarterly figures the sub-totals in 1956-57, 1957-58, 1958-59 and 1959-60 do not add to totals.

6·5 : CATEGORY-WISE BRE AKDOWN OF EXPORTS

(Rs. crores)

	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63†					1963-64†		
						April-June	July-Sept.	Oct.-Dec.	Jan.-March	Total	April-June	July-Sept.	Total Apr.-Sept.
I. *Food, drink and tobacco*	*198·6*	*217·6*	*221·0*	*219·4*	*243·9*	*48·8*	*58·3*	*78·5*	*66·6*	*252·2*	*58·7*	*78·5*	*137·2*
of which :													
1. Tea	119·4	137·9	129·8	124·4	125·3	13·4	30·6	48·8	34·8	127·6	17·2	30·7	47·9
2. Coffee	N.A.	N.A.	N.A.	7·2	11·5	1·8	2·7	2·0	1·4	7·9	1·9	2·7	4·6
3. Sugar	12·0	4·7	2·0	3·3	13·6	4·0	3·1	4·0	2·6	13·7	8·4	13·6	22·0
4. Tobacco	16·3	15·9	15·4	15·6	17·4	8·8	4·4	2·3	3·1	18·6	9·0	8·6	17·6
5. Cashewnut kernels	16·0	15·5	15·3	17·0	20·8	5·3	3·9	4·1	4·3	17·6	4·8	6·6	11·4
6. Oilcakes	3·3	11·6	22·4	14·6	19·3	7·3	7·2	8·1	11·0	33·6	8·9	9·0	17·9
7. Pepper	3·2	2·7	7·6	7·7	9·9	2·1	1·3	1·7	1·7	6·8	2·0	1·4	3·4
II. *Raw materials and produce and articles mainly unmanufactured.*	*149·8*	*128·0*	*145·8*	*140·5*	*150·3*	*38·4*	*31·1*	*35·7*	*39·9*	*145·1*	*41·3*	*36·7*	*78·0*
of which :													
1. Cotton-raw and waste	15·9	23·2	15·2	12·8	22·0	4·5	5·4	3·0	4·7	17·6	5·7	4·4	10·1
2. Vegetable oils (Four major)	14·9§	9·6§	16·6§§	8·8	5·2	2·3	1·9	2·6	4·2	11·0	4·3	2·7	7·0
3. Hides and skins—raw	7·5	9·2	12·5	10·7	9·0	2·5	1·9	2·6	3·4	10·4	3·0	1·5	4·5
4. Metallic ores %	16·1	14·4	15·6	16·4	18·2	5·3	2·7	8·4	7·9	24·3	7·0	8·5	15·5
5. Manganese ore	29·4	13·2	12·0	11·7	12·5	5·3	3·2	2·6	1·2	12·3	2·3	2·4	4·7
6. Mica	N.A.	N.A.	N.A.	11·2	12·0	2·9	2·6	2·9	2·2	10·6	2·7	2·3	5·0
III. *Articles wholly or mainly manufactured*	*246·9*	*252·8*	*281·2*	*295·1*	*299·4*	*69·3*	*74·2*	*81·0*	*76·9*	*301·7*	*83·8*	*83·7*	*167·5*
of which :													
1. Jute yarns and manufactures	118·2	105·9	111·0	135·2	142·7	31·6	39·6	43·8	37·4	152·4	43·4	42·4	85·8

6.5: CATEGORY-WISE BREAKDOWN OF EXPORTS*—*concld.*

(Rs. crores)

	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63*					1963-64†		
						April-June	July-Sept.	Oct.-Dec.	Jan-March	Total	April-June	July-Sept.	Total Apr.-Sept.
2. Cotton yarns and manufactures:													
(*i*) Mill-made	76·2	63·5	30·8	67·5	56·1	12·6	12·9	13·7	13·8	53·0	12·7	13·6	26·3
(*ii*) Handloom				6·2	6·1	1·6	1·7	1·9	2·5	7·7	2·4	2·1	4·5
3. Coir yarns and manufactures	9·6	8·9	9·6	9·5	14·0	3·1	2·9	3·3	3·5	12·8	2·6	3·0	5·6
4. Hides and skins tanned or dressed, leather manufactures and footwear	23·0	20·0	32·8	27·5	29·9	7·4	5·9	6·4	7·1	26·8	8·6	7·4	16·0
IV. *Others*	*8·7*	*7·8*	*9·7*	*9·3*	*8·6*	*2·4*	*2·9*	*2·4*	*2·8*	*10·5*	*3·1*	*3·8*	*6·9*
Total (c.i.f.)	622·0**	606·4	657·8	664·4	702·2	158·9	166·5	197·9	186·2	709·5	187·0	202·7	389·7
Less estimated freight and insurance	26·4	25·6	27·6	27·8	29·4	6·7	7·0	8·1	7·6	29·4	7·8	8·6	16·4
Exports (f.o.b.)‡‡	*594·2***	*576·3*	*627·4@*	*630·5*	*667·7*	*150·5£*	*158·2££*	*188·7*	*178·0*	*675·4@@*	*178·0*	*192·6*	*370·6*

*Based on ECD data.
†Preliminary
‡‡Excludes also the deviation between value declared and actual realised value.
**Excludes lend-lease silver repatriated to U.S.A.
$Including animal oils and all kinds of fats.
$$Including animal oils and all kinds of fats during April-Sept. 1959.
%From October 1959 onwards, the figures refer to iron ore and concentrates only.
@ After finalisation.
@@Excluding exports from Goa, Daman and Diu, for the period April-Sept. 1962, including them the figures would be Rs. 682·2 crores.
£Excluding exports from Goa, Daman and Diu, including them the figure would be Rs. 154·6 crores.
££Excluding exports from Goa, Daman and Diu, including them the figure would be Rs. 160·9 crores.

NOTE: Date for Oct.-March 1962-63 and April-Sept. 1963-64 include exports from Goa, Daman and Diu.

6·6: CURRENT ACCOUNT: INVISIBLES*

(Rs. crores

	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63†					1963-64†		
						April-June	July-Sept.	Oct.-Dec.	Jan.—March	Total	April-June	July-Sept.	Total April-Sept.
1. *Foreign Travel*													
Receipts	13·1	12·2	13·6	15·3	12·4	1·3*	1·1*	0·4*	0·5*	3·3*	0·4*	0·3*	0·7*
Payments	7·1	7·8	9·5	12·1	11·4	4·7	3·1	2·0	2·0	11·8	3·5	2·8	6·3
Net	+6·0	+4·4	+4·1	+3·2	+1·0	—3·4	—2·0	—1·6	—1·5	—8·5	—3·1	—2·5	—5·6
2. *Transportation*													
Receipts	47·4	45·1	45·1	44·6	47·5	11·0	11·1	13·5	12·2	47·8	13·0	14·2	27·2
Payments	19·0	18·0	21·5	24·6	26·9	6·3	6·8	5·8	5·5	24·4	7·7	6·5	14·2
Net	+28·4	+27·1	+23·6	+20·0	+20·6	+4·7	+4·3	+7·7	+6·7	+23·4	+5·3	+7·7	+13·0
3. *Insurance*													
Receipts	9·0	9·8	8·0	8·1	7·6	1·6	1·7	1·7	3·0	8·0	2·1	2·0	4·1
Payments	5·5	5·4	5·3	5·8	5·6	1·1	0·9	1·3	1·5	4·8	1·3	1·5	2·8
Net	+3·5	+4·4	+2·7	+2·3	+2·0	+0·5	+0·8	+0·4	+1·5	+3·2	+0·8	+0·5	+1·3
4. *Investment Income*													
Receipts	23·3	16·3	14·0	14·2	11·9	3·7	1·7	3·1	2·4	10·9	2·7	3·1	5·8
Payments	28·5	36·2	47·3	61·9	79·2	19·2	24·2	24·1	22·7	90·2	19·8	26·5	46·3
Net	—5·2	—19·9	—33·3	—47·7	—67·3	—15·5	—22·5	—21·0	—20·3	—79·3	—17·1	—23·4	—40.5
5. *Government not included else where*													
Receipts	24·5	39·0	49·3	51·0	30·7	8·3	18·0	11·9	11·1	49·3	14·3	11·9	26·2
Payments	13·9	14·5	12·4	21·3	24·2	3·1	3·5	12·2	6·7	25·5	3·9	4·4	8·3
Net	+10·6	+24·5	+36·9	+29·7	+6·5	+5·2	+14·5	—0·3	+4·4	+23·8	+10·4	+7·5	+17·9
6. *Miscellaneous*													
Receipts	36·6	37·2	30·0	36·6	34·6	7·1*	8·5*	9·2*	13·8*	38·6*	16·9*	15·5*	32·4*
Payments	25·3	28·5	28·7	34·6	37·5	7·6	6·9	7·8	10·1	32·4	12·3	10·4	22·7
Net	+11·3	+8·7	+1·4	+2·0	—2·9	—0·5	+1·6	+1·4	+3·7	+6·2	+4·6	+5·1	+9·7

6·6: CURRENT ACCOUNT: INVISIBLES**—*concld.*

(Rs. crores)

	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63†					1963-64†		
						April-June	July-Sept.	Oct.-Dec.	Jan.-March	Total	April-June	July-Sept.	Total April-Sept.
7. *Donations*													
(*a*) *Official*													
Receipts	32·9	35·6	38·0	45·2	45·7	10·2	23·4	20·6	22·8	77·0	14·3	30·4	44·7
Payments	..	..	..	..	..	..	..	..	..	..	..	..	..
Net	+32·9	+35·6	+38·0	+45·2	+45·7	+10·2	+23·4	+20·6	+22·8	+77·0	+14·3	+30·4	+44·7
(*b*) *Private*													
Receipts	62·2	57·9	56·1	44·9	41·4	9·5	8·9	9·6	13·5	41·5	12·4	10·5	22·9
Payments	16·5	16·7	16·1	16·8	16·2	4·5	3·1	3·3	3·1	14·1	4·0	2·9	6·9
Net	+45·7	+41·2	+40·0	+28·1	+25·2	+5·0	+5·8	+6·3	+10·4	+27·5	+8·4	+7·6	+16·0
8. *Total*													
Receipts	249·0	253·1	254·2	259·0	231·8	52·7	74·4	70·0	79·3	276·4	76·1	87·9	164·0
Payments	115·8	127·1	140·8	177·1	201·0	48·5	48·5	56·5	51·6	203·1	52·5	55·0	107·5
Net	+133·2	+126·0	+113·4	+82·8	+30·8	+6·2	+25·9	+13·5	+27·7	+73·3	+23·6	+32·9	+56·5

† Preliminary

*Incomplete allocation as between "foreign travel" and "miscellaneous".

**Based on ECD data.

6·7 : REGIONAL PATTERN OF INDIA BALANCE OF PAYMENTS (CURRENT ACCOUNT)**

(Rs. crore)

Period	Sterling Area		Doller Area		OEEC Countries		Rest of non-Sterling Area		International Institutions	Total (current account with the world)
	Total	of which : U.K.	Total	of which : U.S.A.	Total	of which : West Germany	Total	of which : Japan		
1951-52	+ 98·9	— 0·8	—151·0	—192·3	— 34·8	— 18·2	— 75·7	— 5·0	..	—162·6
1952-53	+ 98·9	— 62·6	— 26·9	— 26·3	— 20·3	— 12·1	+ 8·5	+ 16·0	..	+ 60 2
1953-54	+ 64·2	— 32·5	+ 27·2	+ 20·4	— 57·5	— 18·7	+ 13·5	+ 17·3	..	+ 47·4
1954-55	+ 52·9	—23· 5	+ 14 9	+ 1·0	— 75·7	— 34·6	+ 13·9	— 1·2	..	+ 6 0
1955-56	+ 43·2	— 74·5	+ 34 8	+ 27·7	— 84·7	— 45·6	+ 13·4	— 1·2	..	+ 6·7
1956-57	— 38·7	—120 9	— 41·8	— 61·3	—200·2	—104·2	— 30·2	— 17·2	— 1·9	—312·8
1957-58	— 74·2	—170·4	—120 3*	—133·5*	—255·7	—148 0	— 52·0	— 29·0	— 3·6	—505·8*
1958-59	— 13 6	—118·4	— 78·2	— 85·1	—165·1	— 99·3	— 62·6	— 8·2	— 7·5	—327·0
1959-60	— 41·2	—111 0	— 61·5	— 79·5	—104·6	— 71·0	— 26·6	+ 2·4	— 10 8	—191·5‡
1960 61	— 24·7	— 86·5	—192·4	—215·7	—141·4	— 84·6	— 12·8	— 12 3	— 21·1	—392 4
1961-62@	+ 17·3	— 44·2	— 80·4	—101·9	—147·3	— 86·9	— 67 9	+ 0·5	— 24 8	—303·1
1962-63†	+ 14·2	— 38·0	—141·2	—159·0	—121·9	— 81·1	— 60·4	— 4·5	— 24 6	—333·9
1st Quarter	— 14·2	— 33·1	— 39·7	— 45·3	— 30·0	—19·6	— 19·9	— 2 9	— 3·4	—107·2
2nd Quarter	+ 3·8	— 5·0	— 29·9	— 35·3	— 31·7	— 19·0	— 20 9	— 2·4	— 3·3	— 82 0
3rd Quarter	+ 12·9	+ 0·6	— 39·4	— 43·9	— 29·3	— 22·1	— 8·7	— 2 0	— 11 3	— 75 8
4th Quarter	+ 11·7	— 0·5	— 32·2	— 34·5	— 30·9	— 20·4	— 10·9	+ 2·8	— 6·6	— 68 9
1963-64										
1st Quarter	+ 2·9	n.a.	— 59·4	n.a.	— 23·5	n.a.	— 18·2	n.a.	— 0·6	— 98·8
2nd Quarter	+ 12·2	n.a.	— 40·2	n.a.	— 29·4	n.a.	— 7·1	n.a.	— 4·4	— 68·9

Net Credit (+) Net debit (—).

*Excludes silver despatched to the U.S.A. under Lend-Lease Programme.

@Revised.

†Preliminary

‡Excludes non-monetary gold movement of Rs. 5·9 crores.

**Based on ECD data.

6·8 : QUANTITY AND VALUE OF EXPORTS OF CERTAIN SELECTED ITEMS

(Value in Rs. lakhs)

Commodity	Unit	April-Nov. 1963		April-Nov. 1962	
		Quantity	Value	Quantity	Value
1. Tea	million kgs.	145·2	87,11	143·9	84,40
2. Coffee	,,	18·0	6,22	15·2	5,92
3. Spices	,,	31·9	8,82	31·3	8,69
(a) Pepper	,,	9·8	3,11	11·9	3,95
(b) Others	,,	22·1	5,71	19·4	4,74
4. Tobacco	,,	59·6	19,23	49·8	14,10
5. Vegetable oils (non-essential)	lakh kgs.	715	10,32	498	6,81
(a) Castor oil	,,	283	3,82	198	2,84
(b) Linseed oil	,,	1	2	6	11
(c) Other vegetable oils	,,	431	6,48	294	3,86
6. Vegetable oils (essential)	'000 Kgs.	729	1,92	10,68	3,10
7 Oilcakes	'000 tonnes	534	19,85	499	17,93
8. Sugar	'000 tonnes	371	19,62	285	11,43
9. Cashew kernel	million kgs.	35·2	14,76	31·8	12,72
10. Raw cotton	'000 tonnes	32	6,94	4·4	7,19
11. Cotton waste	lakh kgs.	284	3,01	242	3,04
12. Leather tanned and dressed	,,	131	16,99	129	14,64
13. Hides and skins (exceptfur skins and undressed)	,,	81	6,38	92	6,44
14. Jute manufactures	'000 tonnes	625	108,79	568	97,42
15. Cotton textiles	million metres	329·2	31,33	310·2	29,84
(a) Millmade	,,	308·5	26,53	294·4	26,27
(b) Handloom	,,	20·7	4,80	15·8	3,57
16. Artificial fabrics	lakhs metres	518	5,76	535	4,94
17. Coir manufactures	million kgs.	51·6	7,93	50·9	7,91
(a) Coir fibre and yarn	,,	36·8	5,13	38·0	5,46
(b) Coir manufactures	,,	14·8	2,80	12·9	2,45
18. Iron Ore	million tonnes	5·9	22,79	5·3	21,40
19. Manganese Ore	'000 tonnes	620	5,33	488	5,31
20. Other minerals and ores	value ..	..	2,54	..	2,84
21. Mica	million kgs.	19·7	5,79	18·9	7,16
22. New Manufactures	Value	..	22,63	..	15,84
(a) Ferro-manganese	'000 tonnes	1·1	8	8·9	66
(b) Metals	Value	..	4,27		2,14
(c) Engineering goods	,,	..	8,57	..	5,76
(d) Chemicals and allied products	,,	..	2,89	..	2,47
(e) Footwear	lakh pairs	27	2,20	25	1,50
(f) Petroleum products	Value	..	4,05	..	2,64
Total exports including others and re-exports	Value	..	508,21	..	455,70

NOTE :— Figures are provisional and are based on advance data received from the D.G. C.I. & S., Calcutta.

7·1: EXTERNAL ASSISTANCE—AUTHORISATIONS AND UTILISATIONS (SUMMARY)

(Rs. crores

Nature of Assistance	Authorisations upto end of 2nd Plan	Utilisations upto end of 2nd Plan	Balance available for utilisation in 3rd Plan	Authorisations from 1-4-61 to 31-3-62	Utilisations from 1-4-61 to 31-3-62	Authorisations from 1-4-62 to 31-3-63	Utilisations from 1-4-62 to 31-3-63	Authorisations from 1-4-63 to 30-9-63	Utilisations from 1-4-63 to 30-9-63	Balance available as on 1-10-63
I. Loans and credits repayable in foreign currency . . .	1272·35	737·23	535·12	352·86	190·44	599·02	247·93	139·99	162·00	1026·62
B. Loans and Credits repayable in Indian rupees . . .	247·76	119·04	128·72	46·18	38·58	..	58·89	1·03	15.49	62·97
C. Grants (excluding those under U.S. Public Laws) . . .	259·78	230·47	29·31	21·81	21·04	14.20	13·86	1·46	6·15	25·73
D. Total Loans and Grants excluding those under U.S. Public Laws (A+B+C)	1779·89	1086·74	693·15	420·85	250·06	613·22	320·68	142·48	183·64	1115·32
E. U.S. Assistance under P.L. 480 and P.L. 665 and Third country currency Assistance . .	1147·66	550·16	581·41*	..	87·51	43·33	122·87	4·91	83·56	335·71*
F. *Grand Total*	*2927·55*	*1636·90*	*1274·56**	*420·85*	*337·57*	*656·55*	*443·55*	*1497·39*	*267·20*	*1451·03**

*Net figures after adjusting for non-deposits for freight differential in respect of completed agreements and certain non-imports against them.

7·2 EXTERNAL ASSISTANCE—AUTHORISATIONS AND UTILISATIONS

(Rs. crores)

Source of Assistance and Projects	Authorisations upto end of 2nd Plan	Utilisations upto the end of 2nd Plan	Balance available for utilisation in 3rd Plan	Authorisations from 1-4-61 to 31-3-62	Utilisations from 1-4-61 to 31-3-62	Authorisations from 1-4-62 to 31-3-63	Utilisations from 1-4-62 to 31-3-63	Authorisations from 1-4-63 to 30-9-63	Utilisations from 1-4-63 to 30-9-63	Balance availabe as on 1-10-63
A. Loans to be repaid in foreign currency.										
I. *I.B.R.D.*										
(*a*) *Public Sector*										
1. Agriculture	3·43	3·43	..	..	..	..	..	..	..	..
2. Railways—I	15·62	15·62	..	..	..	..	..	..	..	..
3. Railways—II	42·86	42·86	..	..	..	..	..	..	..	..
4. Railways—III	40·48	40·48	..	..	..	..	..	..	..	..
5. Railways—IV	23·81	23·81	..	..	..	..	..	..	..	..
6. Railways—V	33·33	6·88	26·45	..	26·45	..	..	..	..	..
7. Railways—VI	..	..	..	23·81	1·24	..	22·57	..	..	..
8. D.V.C.—I	7·96	7·96	..	..	..	..	..	..	..	..
9. D.V.C.—II	5·00	5·00	..	..	..	..	..	..	..	..
10. D.V.C.—III	10·48	8·67	1·81	..	0·54	..	0·24	..	0·15	0·88
11. Koyna	8·90	4·35	4·55	..	1·17	..	1·28	..	0·20	1·90
12. Calcutta Port—I	13·81	4·81	9·00	..	2·05	..	2·44	..	1·01	3·50
13. Calcutta Port—II	..	..	..	10·00	0·02	..	0·43	..	1·23	8·32
14. Madras Port	6·67	1·99	4·68	..	0·53	..	0·65	..	0·50	3·00
15. Air India International	2·67	2·67	..	..	..	..	..	..	..	..
..	215·02	168·53	46·49	33·81	32·00	..	27·61	..	3·09	17·60

(b) *Private Sector* :

1. I.I.S. Co.—I . .	13·90	13·90	..	..	..	..	..	..	..	..
2. I.I.S.Co.—II . .	9·52	8·34	1·18	..	0·52	..	0·49	..	0·12	0·05
3. I.I.S.Co.—III . .	..	..	..	9·29	..	..	..	..	..	9·29
4. T.I.S.Co.—I . .	35·71	35·71	..	..	..	..	..	..	..	..
5. T.I.S.Co.—II . .	15·48	15·48	..	..	..	..	..	..	..	..
6. Trombay—I . .	6·62	6·22	0·40	..	0·06	..	0·14	..	0·09	0·11
7. Trombay—II . .	4·67	4·25	0·42	..	0·15	..	0·03	..	0·01	0 ·23
8. I.C.I.C.I.—I . .	4·73	3·74	0·99	..	0·70	..	0·15	..	0·11	0·03
9. I.C.I.C.I.—II . .	4·76	0·44	4·32	..	1·50	..	1·56	..	0·59	0·67
10. I.C.I.C.I.—III .	9·52	..	9·52	..	0·98	..	2·86	..	2·01	3·67
11. I.C.I..C.I.—IV .	..	..	..	9·52	0·03	..	0·73	..	0·49	8·27
12. I.C.I.C.I.—V . .	..	..	..	..	..	..	..	14·29	..	14·29
13. Private Collieries .	..	..	..	16.67	..	..	..	..	0·03	16·64
	104·91	**88·08**	**16·83**	**35·48**	**3·94**	..	**5·96**	**14·29**	**3·45**	**53·25**
TOTAL I . .	319·93	**256·61**	**63.32**	**69·29**	**35·94**	..	**33·57**	**14·29**	**6·54**	**70·85**

(contd.)

7·2 : EXTERNAL ASSISTANCE—AUTHORISATIONS AND UTILISATIONS—*contd.*

(Rs. crores)

Source of Assistance and Projects	Authorisations upto end of 2nd Plan	Utilisations upto end of 2nd Plan	Balance available for utilisation in 3rd Plan	Authorisations from 1-4-61 to 31-3-62	Utilisations from 1-4-61 to 31-3-62	Authorisations from 1-4-62 to 31-3-63	Utilisations from 1-4-62 to 31-3-63	Authorisations from 1-4-63 to 30-9-63	Utilisations from 1-4-63 to 30-9-63	Balance available as on 1-10-63
II. I.D.A.										
1. Highways Development	..	..	..	28·57	1·23	..	3·71	..	4·86	18·77
2. U.P. Tubewells	..	..	..	2·86	..	..	0·49	..	0·95	1·42
3. Shetrunji Irrigation	..	..	..	2·14	..	..	0·25	..	0·35	1·54
4. Salandi Irrigation	..	..	..	3·81	..	..	0·40	..	..	3·41
5. Punjab Drainage	..	..	..	4·76	..	..	1·50	..	1·28	1·98
6. D.V.C. (IV)	..	..	..	8·81	..	..	..	..	0·04	8·77
7. Sone Irrigation	..	..	..	..	..	7·14	0·30	..	0·69	6·15
8. Purna Irrigation	..	..	..	..	..	6·19	1·32	..	0·13	4·74
9. Koyna (II)	..	..	..	..	..	8·33	..	..	0·83	7·50
10. Bombay Port	..	..	..	..	..	8·57	1·02	..	0·26	7·29
11. P.T.T.	..	..	..	..	..	20·00	0·04	..	1·33	18·63
12. Railways—VII	..	..	..	..	..	32·14	..	..	11·16	20·98
13. Kothagudam Power Project	..	..	..	..	..	..	..	9·52	..	9·52
Total II	..	..	..	**50·95**	**1·23**	**82·37**	**9·03**	**9·52**	**21·88**	**110·70**

III. Loans from foreign countries—										
1. *U.S.A*										
(*i*) *Wheat Loan*	**90·31**	**90·31**	..	..	..	..	..	..	..	..
(*ii*) *Exim Bank Loans*										
(*a*) First Credit	71·43	28·14	43·29	..	25·18	..	16·48	..	1·31	0·32
(*b*) Second credit	23·81	..	23·81	..	..	..	10·26	..	5·08	8·47
(*c*) Third Credit	..	..	..	..	..	11·90	..	..	2·49	9·41
(*d*) Credit to A.I.I.—I	2·29	..	2·29	..	2·24	..	0.05	..	..	..
(*e*) Credit to A.I.I.—II	..	..	..	4·53	2·17	..	2·22	..	0·14	..
(*f*) Credit to National Rayon Corporation	0·86	0·64	0·22	..	0·22	..	..	..	..	..
(*g*) Credit to Hindustan Aluminium	6·50	2·13	4·37	..	1·50	..	1·50	..	0·12	1·25
(*h*) Credit to Orient Paper Mills	..	..	..	8·81	..	..	0·05	..	1·21	7·55
(*i*) East India Hotels	..	..	..	..	..	..	..	0·34	..	0·34
(*j*) Union Carbide	..	..	..	..	..	..	..	3·67	..	3·67
(*k*) Diesel Loco-Works Varanasi	..	..	..	..	..	..	..	9·05	..	9·05
TOTAL EXIM BANK LOANS	**104·89**	**30·91**	**73·98**	**13·34**	**31·31**	**11·90**	**30.56**	**13·06**	**10·35**	**40·06**
(*iii*) *U.S. Banks Loans to A.I.I.—*										
(*a*) First Loan	5·33	5·33	..	..	..	..	..	..		..
(*b*) Second Loan	0·57	0·57	..	..	..	..	..	..	..	..
(*c*) Third Loan	..	..	..	1·14	1·14	..	..	..	..	..
(*d*) Fourth Loan	..	..	..	..	..	..	..	4·63	..	4·63
(*e*) Boeing Company Loan	..	..	..	..	..	..	..	0·63	..	0·63
TOTAL U.S. BANK LOAN TO A.I.I.	**5·90**	**5·90**	..	**1·14**	**1·14**	..	..	**5·26**	..	**5·26**

(contd.)

7·2 : EXTERNAL ASSISTANCE—AUTHORISATIONS AND UTILISATIONS—*contd.*

(Rs. crores)

Source of Assistance and Projects	Authorisations upto end of 2nd Plan	Utilisations upto end of 2nd Plan	Balance available for utilisation in 3rd Plan	Authorisations from 1-4-61 to 31-3-62	Utilisations from 1-4-61 to 31-3-62	Authorisations from 1-4-62 to 31-3-63	Utilisations from 1-4-62 to 31-3-63	Authorisations from 1-4-63 to 30-9-63	Utilisations from 1-4-63 to 30-9-63	Balance available as on 1-10-63
(iv) *Agency for International Development*										
(a) Non-Project Loan I	..	..	..	..	..	95·24	60·34	..	19·69	15·21
(b) Cambay Power Project	..	..	..	16·00	..	..	10·27	..	2·66	3·07
(c) Railway Loan IV	..	..	..	..	..	20·48	1·35	..	8·43	10·70
(d) Bandal Power Project	..	..	..	..	..	18·10	2·55	..	6·45	9·10
(e) Patherdih Coal Washery	..	..	..	..	..	2·00	1·47		0·20	0·33
(f) Pamba Kakki Power Project	..	..	..	..	..	9·62	..	..	0·23	9·39
(g) I.F.C. II	..	..	..	..	..	9·52	..	..	..	9·52
(h) Premier Automobile Co. II	..	..	..	..	..	1·43	..	..	..	1·43
(i) D.C.M. Rayon Tyre Cord Project	..	..	..	..	..	4·67	..	..	0·35	4·32
(j) Trombay Thermal Power Station	..	..	..	..	..	8·52	0·82	..	1·08	6·62
(k) Napco Bevel Gear of India	..	..	..	..	..	1·09	..	..	0·33	0·76
(l) Telco Truck Expansion	..	..	..	..	..	6·52	..	..	1·51	5·01
(m) Hindustan Motors Ltd.	..	..	..	..	..	7·52	..	..	0·12	7·40
(n) Non-Project Loan II	..	..	..	..	..	114·29	..	..	27·28	87·01
(o) Delhi 'C' Thermal Power	..	..	..	..	..	7·62	..	..	..	7·62
(p) Satpura Thermal Power	..	..	..	..	..	11·95	..	..	..	11·95
(q) Ramagundam Power Project	..	..	..	..	..	..	..	4·00	..	4·00
TOTAL A.I.D.	..	..	..	16·00	..	318·57	76·80	4·00	68·33	193·44
Total U.S.A. (i+ii+iii+iv)	201·10	127·12	73·98	30·48	32·45	330·47	107·36	22·32	78·68	238·76

2. *U.S.S.R.*										
(i) Bhilai Steel Plant	64·74	64·54	0·20	..	0·20	..	..	..	..	..
(ii) Five Industrial Projects	59·53	8·08	51·45	..	13·43	..	9·76	..	2·25	26·01
(iii) Drugs Project.	9·52	..	9·52	..	0·37	..	0·78	..	2·85	5·52
(iv) Barauni Oil Refinery	11·91	0·43	11·48	..	0·70	..	7·31	..	1·52	1·95
(v) Third Plan Credit I	178·58	1·80	176·78	..	9·87	..	14·03	..	12·48	140·40
(vi) Third Plan Credit II	59·53	..	59·53	..	..	..	0·55	..	0·30	58·68
TOTAL U.S.S.R.	**383·81**	**74·85**	**308·96**	..	**24·57**	..	**32·43**	..	**19·40**	**232·56**
3. *United Kingdom*										
(i) Lazard Bros., Credit for Durgapur Steel Project	15·33	15·33	..	..	..	..	..	..	..	..
(ii) E.C.G.D. Credit I (Durgapur)	20·00	20·00	..	..	..	..	..	..	..	..
(iii) E.C.G.D. Credit II (Capital Goods)	38·00	38·00	..	..	..	..	..	..	..	..
(iv) E.C.G.D. Credit III (Capital Goods)	25·33	25·33	..	..	..	..	..	..	..	..
(v) E.C.G.D. Credit IV (Oil pipe line)	4·00	3·19	0·81	..	0·75	..	0·03	..	..	0·03
(vi) E.C.G.D. Credit V (Capital Goods)	13·33	13·33	..	..	..	..	..	..	..	..
(vii) E.C.G.D. Credit VI (Capital Goods)	6·67	6·67	..	..	..	..	..	..	..	..
(viii) E.C.G.D. Creidt VII (Capital Goods)	..	..	..	13·33	13·33	..	..	..	..	..
(ix) E.C.G.D. Credit VIII (Capital Goods)	..	..	..	40·00	2·23	..	16·06	..	5·13	16·58
(x) E.C.G.D. Credit IX (Capital Goods)	..	..	..	6·67	6·67	..	..	..	..	..
(xi) E.C.G.D. Credit X (Capital Goods)	..	..	..	..	..	13·33	6·67	..	..	6·66

Contd.

7·2 : EXTERNAL ASSISTANCE—AUTHORISATIONS AND UTILISATIONS—*contd.*

Rs. crores

Source of Assistance and Projects	Authorisations upto end of 2nd Plan	Utilisations upto end of 2nd Plan	Balance available for utlii-sation in 3rd Plan	Authorisations from 1-4-61 to 31-3-62	Utilisations from 1-4-61 to 31-3-62	Authorisations from 1-4-62 to 31-3-63	Utilisations from 1-4-62 to 31-3-63	Authorisations from 1-4-63 to 30-9-63	Utilisations from 1-4-63 to 30-9-63	Balance available as on 1-10-63
(*xii*) E.C.G.D. Credit XI Expansion of Durgapur Steel Plant) . . .	..	..	..	..	..	29·33	0·06	..	0·70	28·57
(*xiii*) E.C.G.D. Credit XII (Capital Goods) . .	..	..	..	..	..	17·33	0·33	..	0·14	16·86
(*xiv*) E.C.G.D. Credit XIII(Capital Goods) . . .	..	..	..	..	..	6·67	6·67	..	..	..
(*xv*) E.C.G.D. Credit XIV (Steel) . . .	..	..	..	..	..	..	..	4·67	..	4·67
(*xvi*) E.C.G.D. Credit XV (General) . . .	..	..	..	..	..	..	..	13·33	3·98	9·35
TOTAL UNITED KINGDOM .	**122·66**	**121·85**	**0·81**	**60·00**	**22·98**	**66·66**	**29·82**	**18·00**	**9·95**	**82·72**
4. *Federal Republic of Germany.*—										
(*i*) Credit for Rourkela Steel Plant	77·79	63·59	14·20	..	6·49	..	5·04	..	1·53	1·14
(*ii*) Credit for Capital Goods—I	20·00	20·00	..	..	..	..	..	..	..	..
(*iii*) Credit for Capital Goods-II	..	..	..	..	..	11·90	11·90	..	..	..
(*iv*) United Cash Credit—I .	14·89	14·89	..	..	..	..	..	..	.	.
(*v*) United Cash Credit—II	14·89	14·89	..	..	..	..	..	..	..	..

(vi) United Cash Credit—III	..	..	..	11·90	11·90	..	..	..	..	..
(vii) United Cash Credit—IV	..	..	..	20·24	20·24	..	..	..	..	..
(viii) Credit to finance Rourkela repayments—I . .	11·71	11·71	..	..	..	..	..	..	..	..
(ix) Credit to finance Rourkela repayments—II . .	..	..	..	27·38	27·38	..	..	..	..	..
(x) Credit to finance Rourkela repayments—II . .	..	..	..	..	..	10·12	10·12	..	..	..
(xi) Credit to finance Rourkela repayments—IV . .	..	..	..	..	..	..	..	7·31	7·31	..
(xii) Credit to finance import of project equipment and non-project items . .	..	..	..	..	..	44·05	..	..	7·23	36·82
(xiii) For Rourkela expansion	..	..	..	..	..	..	..	47·62	..	47·62
TOTAL FEDERAL REPUBLIC OF GERMANY	139·28	125·08	14·20	59·52	66·01	66·07	27·06	54·93	16·07	85·58
5. *Canada*										
(i) Wheat Loan—I . .	11·51	11·51	..	..	..	..	..	..	..	..
(ii) Wheat Loan—II . .	4·20	4·20	..	..	..	..	..	..	..	..
(iii) Credit for Capital Goods	..	..	..	8·80	..	2·21	..	..	..	11·01
TOTAL CANADA . . .	15·71	15·71	..	8·80	..	2·21	..	..	..	11·01
6. *Japan*										
(i) Credit for Capital Goods-I	23·00	16·01	6·99	..	5·41	..	1·35	..	0·13	0·10
(ii) Credit for Capital Goods—II	..	..	..	38·10	..	..	6·31	7·14	7·36	31·57
(iii) Credit for Orissa Iron Ore Project	3·81	..	3·81	..	1·82	..	0·02	..	..	1·97
(iv) Suppliers Credit 1962 .	..	..	..	..	..	4·76	..	..	..	4·76
TOTAL JAPAN	26·81	16·01	10·80	38·10	7.23	4.76	7·68	7·14	7·49	38·4

(Contd.)

7·2 : EXTERNAL ASSISTANCE—AUTHORISATIONS AND UTILISATIONS—*concld.*

(Rs. crores)

Source of Assistance and Projects	Authorisations upto end of 2nd Plan	Utilisations upto end of 2nd Plan	Balance available for utilisation in 3rd Plan	Authorisatins from 1-4-61 to 31-3-62	Utilisations from 1-4-61 to 31-3-62	Authorisations from 1-4-62 to 31-3-63	Utilisations from 1-4-62 to 31-3-63	Authorisations from 1-4-63 to 30-9-63	Utilisations from 1-4-63 to 30-9-63	Balance available as on 1-10-63
7. *Italy*										
(i) ENI Credit	..	..	..	21·43	..	..	0·18	..	0·06	21·19
(ii) MONTECTANI Credit for Capital equipment	..	..	..	..	..	4·18	..	..	1·12	3·06
TOTAL ITALY	..	..	..	**21·43**	..	**4·18**	**0·18**	..	**1·18**	**24·25**
8. *Switzerland*										
(i) Credit or Capital Goods	**6·60**	..	**6·60**	..	..	**5·38**	**0·23**	**3·27**	**0·61**	**14·4**
9. *France*										
(i) Cerdit for Capital Goods—I	..	..	..	14·29	..	..	..	..	..	14·2
(ii) Credit for Capital Goods —II	..	..	..	..	..	9·52	..	..	..	9·52
(iii) Credit to IFC	..	..	..	..	..	4·76	..	..	..	4·76
TOTAL FRANCE	..	..	..	**14·29**	..	**14·28**	..	..	..	**28·57**
10. *Austria*										
Credit for Capital Goods	..	..	..	..	..	2·38	..	..	..	2·38

11. *Czechoslovakia*										
Credit for Capital Goods	23·0	..	23·10	..	..	..	..	..	..	23·10
12. *Poland*										
(*i*) Credit for Capital Goods	14·30	..	14·30	..	0·03	..	0·57	..	0·15	13·55
(*ii*) Credit for Coal and other industries	..	..	..	..	..	15·50	..	..	..	15·50
TOTAL POLAND	14·30	..	14·30	..	0·03	15·50	0·57	..	0·15	29·05
13. *Yugoslavia*										
Credit for Capital Goods	19·05	..	19·05	..	..	..	*Neg.*	..	0·05	19·00
14. *Belgium*										
Suppliers credit	..	..	..	..	..	4·76	..	..	..	4·76
15. *Netherlands*										
Credit for Capital Goods	..	..	..	..	..	..	..	10·52	..	10·52
TOTAL III—LOANS FROM FOREIGN COUNTRIES	942·42	480·62	471·80	232·62	153·27	516·65	205·33	116·18	133·58	845·07
TOTAL 'A'—LOANS TO BE PREPAID IN FOREIGN CURRENCY	1272·35	737·23	535·12	352·86	190·44	599·02	247·93	139·99	162·00	1026·62

Contd.

7·2 :EXTERNAL ASSISTANCE— AUTHORISATIONS AND UTILISATIONS—*concld.*

(Rs. crores)

Source of Assistance and Projects	Authorisations upto end of 2nd Plan	Utilisations upto end of 2nd Plan	Balance available for utilisation in 3rd Plan	Authorisations from 1-4-61 to 31-3-62	Utilisations from 1-4-61 to 31-3-62	Authorisations from 1-4-62 to 31-3-63	Utilisations from 1-4-63 to 31-3-63	Authorisations from 1-4-63 to 30-9-63	Utilisations from 1-4-63 to 30-9-63	Balance available as on 1-10-63
B.—*Loans to be repaid in rupees*										
1. *U.S.A.*										
(*i*) Development assistance loans (Dollar Portion)	42·22	42·22	..	..	..	..	..	..	..	..
(*ii*) U. S. President's Asian Economic Development Assistance (Orissa Iron Ore)	9·02	0·02	9·00	..	1·98	..	3·82	..	0·06	3·14
(*iii*) Development Loan Fund	196·52	76·80	119·72	46·18	36·60	..	55·07	..	15·43	58·80
2. *Denmark*	..	..	..	..	..	..	..	1·03	..	1·03
TOTAL (B)—LOANS TO BE REPAID IN RUPEES	247·76	119·04	128·72	46·18	38·58	..	58·89	1·03	15·49	62·97
C.—*Grants*										
1. *U.S.A.*										
(*i*) TCA grants (Dollar Grant)	130·27	118·17	12·10	6·83	8·58	3·34	8·18	1·41	1·22	5·70
(*ii*) Ford Foundation.	16·07	11·68	4·39	0·63	1·43	0·53	0·18	0·05	0·02	3·97
2. *Colombo Plan Countries*										
(*i*) Canada	90·15	80·00	10·15	12·13	9·46	8·82	4·57	..	4·75	12·32
(*ii*) Australia	13·28	12·64	0·64	1·49	0·73	1·18	0·19	..	..	2·39
(*iii*) New Zealand	3·43	3·23	0·20	0·02	0·19	..	0·01	..	..	0·02
(*iv*) United Kingdom.	0·81	0·46	0·35	0·05	0·10	..	..	..	..	0·30

3. Norway	2·53	2·53	..	0·66	0·45	0·33	0·40	..	..	0·14
4. West Germany	2·09	0·61	1·48	..	0·10	..	0·33	..	0·16	0·89
5. U. S. S. R.	1·15	1·15	..	..	..	..	..	..	..	..
TOTAL (C)—*Grant*	**259·78**	**230·47**	**29·31**	**21·81**	**21·04**	**14·20**	**13·86**	**1·46**	**6·15**	**25·73**
D.—*U. S. Public Law Assistance*										
(i) PL 480†	1113·00	515·50	581·41‡	..	87·51	43·33	122·87	4·91	83·56	335·71‡
(ii) PL 665†	31·88	31·88	..	..	..	..	..	..	..	..
(iii) Third country currency assistance	2·78	2·78	..	..	..	..	..	..	..	..
TOTAL D—*U. S. Public Law Assistance*	**1147·66**	**550·16**	**581·41‡**	..	**87·51**	**43·33**	**122·87**	**4·91**	**83·56**	**335·71‡**
GRAND TOTAL (A+B+C+D)	2927·55	**1636·90**	**1274·56‡**	**420·85**	**337·57**	**656·55**	**443·55**	**147·39**	**267·20**	**1451·03‡**

*This statement does not include Japanese *ad hoc* credit of 1959 amounting to Rs. 8·64 crores, Kuwait loan of Rs. 34·19 crores on account of repatriation of special Indian notes which were in circulation there as legal tender and drawings from the I.M.F.

†Utilisation refers to rupee deposits made against commodities imported.

‡Net figure after adjusting for non-deposits for freight differential in respect of completed agreements and certain non-imports against them.

7.3 : ASSISTANCE COMMITTED BY THE AID INDIA CONSORTIUM FOR THE FIRST THREE YEARS OF THIRD PLAN

(Rs. crores)

Source of the Loan	Aid Pledged in			Cumulative Total	Total amount for which agreements signed upto 31-12-63	Total amount disbursed up to 31-12-63
	1961-62	1962-63	1963-64			
1. Austria	..	2·38	3·33	5·71	4·21	0·52
2. Belgium	..	4·76	4·76	9·52	9·52	..
3. Canada	13·33	15·72	14·52	43·57	28·00	9·30
4. France	7·14	21·43	9·52	38·09	28·57	..
5. West Germany	107·14	66·19	47·38	220·71	220·58	103·75
6. Italy	..	25·24	21·43	46·67	47·04	1·72
7. Japan	23·81	26·19	30·95	80·95	80·95	17·62
8. Netherlands	..	5·26	5·26	10·52	10·52	..
9. United Kingdom	86·66	40·00	40·00	166·66	149·99	68·51
10. U. S. A.	259·52	207·14	207·14	673·80	486·07	211·38
TOTAL OF COUNTRIES	**497·60**	**414·31**	**384·29**	**1296·20**	**1065·45**	**412·80**
I.B.R.D. AND I.D.A.	**119·05**	**95·24**	**116·66**	**330·95**	**226·42**	**70·14**
GRAND TOTAL	**616·65**	**509·55**	**500·95**	**1627·15**	**1291·87**	**482·94**

GOVERNMENT OF INDIA

BUDGET

OF THE

CENTRAL GOVERNMENT

FOR

1964-65

(As laid before Parliament, 1964)

MINISTRY OF FINANCE,
New Delhi, the 29th February, 1964

L. K. JHA
Secretary to the Government of India.

114 M of Fin.—18

I—GENERAL STATEMENT OF THE REVENUE AND EXPENDITURE

(In thousands of Rupees)

	For details *vide* Statement	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—					
REVENUE RECEIPTS—					
Taxes, Duties and other Principal Heads of Revenue—					
Customs . . .	A	2,45,96,18	3,01,20,00	3,20,00,00	3,30,00,00 +6,37,00*
Union Excise Duties .	,,	5,98,83,48	6,87,50,90	7,03,47,00	7,50,39,00 +19,15,00*†
Corporation Tax .	,,	2,21,49,63	2,22,00,00	2,75,00,00	2,95,00,00 +11,00,00*
Taxes on Income other than Corporation Tax .	,,	90,68,87	1,20,05,00	1,15,70,56	1,41,55,17
Estate Duty . . .	,,	6,22	11,96	12,69	12,62 +5,00*‡
Taxes on Wealth .	,,	9,53,81	9,40,00	10,00,00	10,00,00 +20,00*
Expenditure Tax .	,,	20,13	9,50	17,50	5,00 +1,50,00*
Gift Tax . . .	,,	96,76	95,00	1,10,00	1,10,00 +2,00,00*
Other Heads . . .	,,	18,14,09	19,86,66	20,46,01	21,56,93
TOTAL—TAXES, DUTIES AND OTHER PRINCIPAL HEADS OF REVENUE .		11,85,89,17	13,61,19,02	14,46,03,76	15,49,78,72 +40,27,00*
Debt Services . .	,,	1,53,23,22	2,17,05,05	2 20,45,89	2,52,13,55
Administrative Services .	,,	6,91,98	6,76,41	8,25,25	8,98,01
Social and Developmental Services . . .	,,	46,90,66	31,60,55	29,24,91	28,13,09
Multi-purpose River Schemes, Irrigation and Electricity Schemes .	,,	55,84	45,03	15,28	11,18
Public Works (including Roads) and Schemes of Miscellaneous Public Improvements .	,,	3,74,98	4,38,10	3,76,77	3,75,26
Transport and Communications (other than Roads) . .	,,	7,12,67	7,46,32	7,19,88	6,80,70
Currency and Mint .	,,	54,23,63	73,67,71	57,36,63	53,72,98
Miscellaneous . .	,,	27,88,34	24,93,05	17,47,96	17,29,21
Contributions and Miscellaneous Adjustments (other than contributions from Railways and P. & T.) .	,,	3,73,72	2,40,45	4,02,14	5,16,64
Contribution from Railways . . .	,,	20,36,95	24,15,33	23,90,04	24,53,20
Contribution from Posts and Telegraphs .	,,	77,39	1,10,70	1,19,29	1,38,30
Extraordinary Items .	,,	73,90,92	81,00,00	94,60,31	1,43,31,44
TOTAL—REVENUE RECEIPTS . . .		15,85,29,47	18,36,17,72	19,13,68,11	20,95,12,28 +40,27,00*
EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT		..	16,22,41	..	..
TOTAL . .		15,85,29,47	18,52,40,13	19,13,68,11	21,35,39,28

NOTE.—The Accounts for 1962-63 have not been finally closed and the actuals given here are only provisional.

*Effect of Budget proposals.

†Excludes a sum of Rs. 39 lakhs being the share of Union Excise Duties payable to States which has been taken in reduction of Revenue.

‡Excludes a sum of Rs. 2·95 crores which will accrue to the States.

MET FROM REVENUE OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

	For details *vide* Statement	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—					
EXPENDITURE MET FROM REVENUE—					
Collection of Taxes, Duties and other Principal Revenues .	B	23,46,76	23,83,00	23,66,98	25,33,72
Debt Services .	,,	2,45,43,14	2,80,24,05	2,82,06,10	3,18,41,16
Administrative Services	,,	75,17,56	88,28,22	80,45,24	81,83,57
Social and Developmental Services .	,,	1,59,20,08	1,55,39,86	1,46,94,45	1,68,13,91
Multipurpose River Schemes, Irrigation and Electricity Schemes . . .	,,	1,36,04	1,95,57	1,35,68	1,83,90
Public Works (including Roads) and Schemes of Miscellaneous Public Improvements	,,	18,50,47	20,93,99	21,64,89	20,20,97
Transport and Communications (other than Roads) . . .	,,	9,31,26	9,78,69	8,70,42	10,18,42
Currency and Mint .	,,	22,02,61	17,24,50	16,75,81	17,32,89
Miscellaneous . .	,,	1,04,44,82	1,10,98,56	91,98,92	98,51,09
Contributions and Miscellaneous Adjustments . . .	,,	3,23,36,38	3,49,03,96	3,75,14,81	4,34,18,87
Extraordinary Items .	,,	64,30,70	86,18,73	84,05,54	1,47,52,06
Defence Services (*a*) .	,,	4,25,29,73	7,08,51,00	6,92,54,80	7,17,80,40
TOTAL—EXPENDITURE MET FROM REVENUE .		14,71,89,55	18,52,40,13	18,25,33,64	20,41,30,96
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS . . .		1,13,39,92	..	88,34,47	94,08,32
TOTAL .		15,85,29,47	18,52,40,13	19,13,68,11	21,35,39,28

(*a*) Figures shown net ; the receipts shown in Statement A have been deducted from the expenditure shown in Statement B.

II—GENERAL STATEMENT OF THE RECEIPTS

(In thousands of Rupees)

RECEIPTS	For details *vide* Statement	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—					
Revenue Surplus (as shown in Part I) .		1,13,39,92	..	88,34,47	94,08,32
Capital Accounts not met from Revenue .	C	..	..	..	4,33,00
Permanent Debt (net)	,,	4,47,71,95	6,31,36,33	7,14,93,02	7,37,81,43
Floating Debt (net) .	,,	1,28,01,50	1,81,02,14	60,02,14	86,02,14
Loans and Advances by the Central Government (net) .	,,	..	..	..	..
Inter-State Settlement (net) . . .	,,	1,75,79	..	..	..
TOTAL—I—CONSOLIDATED FUND OF INDIA .	,,	6,90,89,16	8,12,38,47	8,63,29,63	9,22,24,89
II.—CONTINGENCY FUND OF INDIA	C	4	..	66	..
III.—PUBLIC ACCOUNT—					
Unfunded Debt (net) .	C	1,63,83,05	2,66,71,67	2,45,64,61	1,05,71,36 + 57,00,00*
Depreciation and other Reserve Funds (net)	,,	27,28,31	36,37,80	42,32,88	43,45,58
Appropriation for Reduction or Avoidance of Debt . . .	,,	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances (net) .	,,	2,31,87,27	2,22,63,52	1,99,05,66	4,03,38,57 —7,00,00*
Remittances (net) .	,,	..	9,37,21	5,47,14	..
Transfer of Cash between England and India (net) .	,,	4,58,34	..	..	..
TOTAL III—PUBLIC ACCOUNT . .		4,32,56,97	5,40,10,20	4,97,50,29	5,57,55,51 + 50,00,00*
TOTAL—RECEIPTS .		11,23,46,17	13,52,48,67	13,60,80,58	15,29,80,40
OPENING BALANCE .	C	49,39,87	50,62,05	67,82,93	50,21,10
TOTAL .		11,72,86,04	14,03,10,72	14,28,63,51	15,80,01,50

*Effect of Budget proposals.

AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

DISBURSEMENTS	For details *vide* Statement	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—					
Revenue Deficit (as shown in Part I) .		..	16,22,41	..	..
Capital Accounts not met from Revenue .	C	6,12,16,57	8,87,37,03	8,30,06,54	9,70,47,82
Permanent Debt (net)	,,	..	..	..	..
Floating Debt (net) .	,,	..	..	..	..
Loans and Advances by the Central Government (net) .	,,	4,68,85,93	4,48,48,96	5,47,45,46	5,42,87,21
Inter-State Settlement (net) . . .	,,	..	90,41	90,41	21
TOTAL—I.—CONSOLIDATED FUND OF INDIA .	,,	10,81,02,50	13,52,98,81	13,78,42,41	15,13,35,24
II.—CONTINGENCY FUND OF INDIA	C	66	..	..	..
III.—PUBLIC ACCOUNT—					
Unfunded Debt (net) .	,,	..	..	..	..
Depreciation and other Reserve Funds (net).	,,	..	..	..	..
Other Deposits and Advances (net) .	,,	..	..	..	..
Remittances (net) .	,,	23,66,58	..	..	16,03,82
Transfer of Cash between England and India (net) .	,,	..	..	..	..
Reserve Bank Deposits (net)	,,	33,37	..	..	..
TOTAL—III—PUBLIC ACCOUNT . . .		23,99,95	..	..	16,03,82
TOTAL—DISBURSEMENTS .		11,05,03,11	13,52,98,81	13,78,42,41	15,29,39,06
CLOSING BALANCE	C	67,82,93	50,11,91	50,21,10	50,62,44
TOTAL		11,72,86,04	14,03,10,72	14,28,63,51	15,80,01,50

A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—						
TAXES, DUTIES AND OTHER PRINCIPAL HEADS OF REVENUE—						
I.—Customs	2,45,96,18	3,01,20,00	3,20,00,00	+18,80,00	3,36,37,00	+16,37,00
II.—Union Excise Duties	5,98,83,48	6,87,50,90	7,03,47,00	+15,96,10	7,69,54,00	+66,07,00
III.—Corporation Tax	2,21,49,63	2,22,00,00	2,75,00,00	+53,00,00	3,06,00,00	+31,00,00
IV.—Taxes on Income other than Corporation Tax	90,68,87	1,20,05,00	1,15,70,56	—4,34,44	1,41,55,17	+25,84,61
V.—Estate Duty	6,22	11,96	12,69	+73	17,62	+4,93
VI.—Taxes on Wealth	9,53,81	9,40,00	10,00,00	+60,00	10,20,00	+20,00
VII.—Expenditure Tax	20,13	9,50	17,50	+8,00	1,55,00	+1,37,50
VIII.—Gift Tax	96,76	95,00	1,10,00	+15,00	3,10,00	+2,00,00
IX.—Land Revenue	58,24	69,78	28,35	—41,43	16,22	—12,13
X.—State Excise Duties	2,25,68	1,56,61	1,76,87	+20,26	1,73,86	—3,01
XI.—Taxes on Vehicles	68,82	1,09,78	1,24,84	+15,06	1,30,38	+5,54
XII.—Sales Tax	6,64,59	8,67,70	8,82,70	+15,00	9,78,51	+95,81
XIII.—Other Taxes and Duties	2,96,42	2,96,09	3,08,11	+12,02	3,17,19	+9,08
XIV.—Stamps	4,84,17	4,70,25	5,10,82	+40,57	5,27,25	+16,43
XV.—Registration Fees	16,17	16,45	14,32	—2,13	13,52	—80
TOTAL—TAXES, DUTIES AND OTHER PRINCIPAL HEADS OF REVENUE	11,85,89,17	13,61,19,02	14,46,03,76	+84,84,74	15,90,05,72	+1,44,01,96
DEBT SERVICES—						
XVI.—Interest—						
Interest from State and Union Territory Governments	68,51,70	1,00,00,00	98,00,00	—2,00,00	1,13,00,00	+15,00,00
Interest from Railways	60,89,06	68,95,53	71,12,61	+2,17,08	78,70,25	+7,57,64
Interest from Posts and Telegraphs	4,89,72	5,71,67	6,12,20	+40,53	7,04,66	+92,46
Interest from other Commercial Departments	1,29,19	42,37,85	45,21,08	+2,83,23	53,38,64	+8,17,56
Other Interest Receipts	17,63,55					
TOTAL—DEBT SERVICES	1,53,23,22	2,17,05,05	2,20,45,89	+3,40,84	2,52,13,55	+31,67,66
Carried Over	13,39,12,39	15,78,24,07	16,66,49,65	+88,25,58	18,42,19,27	+1,75,69,62

A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I—CONSOLIDATED FUND OF INDIA —*contd.*						
Brought Forward	13,39,12,39	15,78,24,07	16,66,49,65	+88,25,58	18,42,19,27	+1,75,69,62
ADMINISTRATIVE SERVICES—						
XVII.—Administration of Justice	24,35	26,52	26,24	—28	26,70	+46
XVIII.—Jails	2,55	2,85	2,99	+14	3,12	+13
XIX.—Police	92,20	43,96	50,22	+6,26	56,61	+6,39
XX.—Supplies and Disposals	4,03,15	3,99,88	5,74,20	+1,74,32	6,16,70	+42,50
XXI.—Miscellaneous Departments	1,69,73	2,03,20	1,71,60	—31,60	1,94,88	+23,28
TOTAL—ADMINISTRATIVE SERVICES	6,91,98	6,76,41	8,25,25	+1,48,84	8,98,01	+72,76
SOCIAL AND DEVELOPMENTAL SERVICES—						
XXII.—Education	58,27	63,06	49,04	—14,02	47,69	—1,35
XXIII.—Medical	47,06	53,59	58,79	+5,20	59,38	+59
XXIV.—Public Health	26,02	19,99	23,04	+3,05	21,38	—1,66
XXV.—Agriculture	1,55,09	1,68,11	1,68,10	—1	1,66,58	—1,52
XXVI.—Rural Development	87	35	35	..	30	—5
XXVII.—Animal Husbandry	24,82	29,79	26,52	—3,27	27,46	+94
XXVIII.—Cooperation	4,43	2,39	3,10	+71	3,51	+41
XXIX—Industries	35,04,06	19,53,19	16,88,71	—2,64,48	14,84,34	—2,04,37
XXX.—Broadcasting	4,01,25	4,15,98	4,19,53	+3,55	4,35,82	+16,29
XXXI.-Community Development Projects, National Extension Service and Local Development Works	5,50	5,18	3,42	—1,76	2,49	—93
XXXII.—Miscellaneous Social and Developmental Organisations	4,63,29	4,48,92	4,84,31	+35,39	5,64,14	+79,83
TOTAL—SOCIAL AND DEVELOPMENTAL SERVICES	46,90,66	31,60,55	29,24,91	—2,35,64	28,13,09	—1,11,82
CARRIED OVER	13,92,95,03	16,16,61,03	17,03,99,81	+87,38,78	18,79,30,37	+1,75,30,56

A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA —*contd.*						
Brought Forward	13,92,95,03	16,16,61,03	17,03,99,81	+87,38,78	18,79,30,37	+1,75,30,56
MULTI-PURPOSE RIVER SCHEMES, IRRIGATION AND ELECTRICITY SCHEMES—						
XXXIII.—Multipurpose River Schemes	24,08	3,15	4,43	+1,28	4,72	+29
XXXV.—Irrigation, Navigation, Embankment and Drainage Works(Non-Commercial)	29	8	15	+7	12	—3
XXXVI—Electricity Schemes	31,47	41,80	10,70	—31,10	6,34	—4,36
TOTAL—MULTI-PURPOSE RIVER SCHEMES, IRRIGATION AND ELECTRICITY SCHEMES	55,84	45,03	15,28	—29,75	11,18	—4,10
CARRIED OVER	13,93,50,87	16,17,06,06	17,04,15,09	+87,09,03	18,79,41,55	+1,75,26,46

A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA-*contd.*						
Brought Forward	13,93,50,87	16,17,06,06	17,04,15,09	+87,09,03	18,79,41,55	+1,75,26,46
PUBLIC WORKS (INCLUDING ROADS) AND SCHEMES OF MISCELLANEOUS PUBLIC IMPROVEMENTS—						
XXXVII—Public Works . . .	3,74,98	4,38,10	3,76,77	—61,33	3,75,26	—1,51
TRANSPORT AND COMUNICATIONS (OTHER THAN ROADS)—						
XXXIX.—Ports and Pilotage . .	44,72	48,17	50,00	+1,83	55,00	+5,00
XL.—Mercantile Marine . .	11,19	9,24	11,15	+1,191	11,06	—9
XLI.—Lighthouses and Lightships . .	1,00,96	1,10,41	1,14,23	+3,82	1,09,30	—4,93
XLII.—Aviation .	1,54,69	1,17,29	1,93,33	+76,04	2,00,21	+6,88
XLIII.—Road and Water Transport Schemes . .	1,50,55	1,60,91	50,87	—1,10,04	4,83	—46,04
XLIV.—Overseas Communications Service	2,50,56	3,00,30	3,00,30	..	3,00,30	..
TOTAL.—TRANSPORT AND COMMUNICATIONS (OTHER THAN ROADS)	7,12,67	7,46,32	7,19,88	—26,44	6,80,70	—39,1
CARRIED OVER .	14,04,38,52	16,28,90,48	17,15,11,74	+86,21,26	18,89,97,51	+1,74,8577

A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease (—) as compared with Budget 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease (—) as compared with Revised 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward .	14,04,38,52	16,28,90,48	17,15,11,74	+86,21,26	18,89,97,51	+1,74,8577
CURRENCY AND MINT—						
XLV.—Currency and Coinage . .	53,45,99	71,04,27	55,06,79	—15,97,48	51,44,47	—3,62,32
XLVI.—Mint . .	23,64	22,09	32,42	+10,33	26,93	—5,49
XLVI-A—Kolar Gold Mines . . .	54,00	2,41,35	1,97,42	—43,93	2,01,58	+4,16
TOTAL—CURRENCY AND MINT . . .	54,23,63	73,67,71	57,36,63	—16,31,08	53,72,98	—3,63,65
MISCELLANEOUS—						
XLVIII.—Contributions and Recoveries towards Pensions and Other Retirement benefits . .	1,95,00	96,57	1,23,10	+26,53	2,01,81	+78,71
XLIX.—Stationery and Printing .	75,89	76,48	74,86	1,62	74,19	—67
L.—Opium . .	3,57,22	4,50,98	3,91,50	—59,48	3,36,90	—54,60
LI.—Forest . .	4,42,35	4,82,39	1,93,46	—2,88,93	1,74,66	—18,80
LII.—Miscellaneous .	17,17,88	13,86,63	9,65,04	—4,21,59	9,41,65	—23,39
TOTAL—MISCELLANEOUS . .	27,88,34	24,93,05	17,47,96	—7,45,09	17,29,21	—18,75
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS—						
LIII.—Contribution from Railways .	20,36,95	24,15,33	23,90,04	—25,29	24,53,20	+63,16
LIV—Contribution from Posts and Telegraphs . .	77,39	1,10,70	1,19,29	+8,59	1,38,30	+19,01
LVII.—Miscellaneous Adjustments between Central, State and Union Territory Governments .	..	..	..	..	..	..
LVIII.—Dividends etc. from Commercial and other Undertakings	3,73,72	2,40,45	4,02,14	+1,61,69	5,16,64	+1,14,50
LIX.—Other Miscellaneous Contributions and Assignments .	..	..	..	..	..	..
TOTAL—CONTRIBUTION AND MISCELLANEOUS ADJUSTMENTS .	24,88,06	27,66,48	29,11,47	+1,44,99	31,08,14	+1,96,67
CARRIED OVER .	15,11,38,55	17,55,17,72	18,19,07,80	+63,90,08	19,92,07,84	+1,73,0004

A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT—*concld.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+)Decrease(—) as compared with Budget 1963-64	Budget Estimate, 1964-65	Increase (+) Decraese(—) as compared with Revised 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward .	15,11,38,55	17,55,17,72	18,19,07,80	+63,90,08	19,92,07,84	+1,73,0004
EXTRAORDINARY ITEMS—						
LX.—EXTRAORDINARY RECEIPTS . .	54,85,96	45,00,00	64,74,00	+19,74,00	1,40,31,44	+75,57,44
LXI.—Prepartition Receipts . .	—19,62	..	..	..	..	..
LXI-A.—Receipts connected with the National Emergency	19,24,58	36,00,00	29,86,31	—6,13,69	3,00,00	—26,86,31
TOTAL—EXTRAORDINARY ITEMS . .	73,90,92	81,00,00	94,60,31	+13,60,31	1,43,31,44	+48,71,13
DEFENCE SERVICES—						
LXII—Defence Services—Effective	19,31,30	17,06,85	20,05,76	+2,98,91	16,79,60	—3,26,16
LXIII.—Defence Services—Non-effective . .	47,81	52,55	1,14,65	+62,10	1,06,50	—8,15
TOTAL—DEFENCE SERVICES . . .	19,79,11	17,59,40	21,20,41	+3,61,01	17,86,10	+3,34,31
POSTS AND TELEGRAPHS						
LXIX.—Posts and Telegraphs . .	97,87,37	1,07,51,00	1,14,00,00	+6,49,00	1,27,00,00	+13,00,00
RAILWAYS—						
Railways Revenue as per Railways Budget	5,67,74,19	5,99,95,07	6,22,75,27	+22,80,20	6,68,15,71	+45,40,44
TOTAL—REVENUE .	22,70,70,14,	25,61,23,19	26,71,63,79	+110,40,60	29,48,41,09	+2,76,7730
Excess of Expenditure over Revenue or Deficit . . .	..	16,22,41	..	..	..	..

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget 1963-64	Budget Estimate 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
COLLECTION OF TAXES, DUTIE AND OTHER PRINCIPAL REVENUES-						
1.—Customs . .	4,19,34	4,18,03	4,15,14	—2,89	4,64,24	+49,10
2.—Union Excise Duties . . .	8,32,38	8,53,51	8,76,94	+23,43	9,07,02	+30,08
3.—Corporation Tax .	..	56,84	76,87	+20,03	81,23	+4,36
4.—Taxes on Income Other than Corporation Tax . .	6,58,31	5,91,31	5,86,95	—4,36	6,68,77	+81,82
5.—Estate Duty .	62	8,80	9,32	+52	9,30	—2
6.—Taxes on Wealth		29,76	24,96	—4,80	27,09	+2,13
7.—Expenditure Tax .	..	31	44	+13	14	—30
8.—Gift Tax . .	..	2,81	2,37	—44	2,57	+20
9.—Land Revenue .	72,57	67,98	26,47	—41,51	7,26	—19,21
10.—State Excise Duties . . .	33,65	6,22	3,93	—2,29	3,09	—84
11.—Taxes on Vehicles	4·33	4,80	4,25	—55	4,08	—17
12.—Sales Tax . .	14,27	14,58	13,93	—65	16,08	+2,15
13.—Other Taxes and Duties . . .	14,36	22,75	21,72	—1,03	24,99	+3,27
14.—Stamps . .	2,94,73	3,02,95	3,02,35	—60	3,16,92	+ 4,57
15.—Registration Fees	2,20	2,35	1,34	—1,01	94	—40
TOTAL—COLLECTION OF TAXES DUTIES AND OTHER PRINCIPAL REVENUES .	23,46,76	23,83,00	23,66,98	—16,02	25,33,72	+1,66,74
DEBT SERVICES—						
16.—Interest on Debt and Other Obligations . . .	2,40,43,14	2,75,24,05	2,77,06,10	+1,82,05	3,13,41,16	+36,35,06
TOTAL—Interest on Debt etc.—Carried Over . . .	2,40,43,14	2,75,24,05	2,77,06,10	+1,82,05	3,13,41,16	+36,35,06
Carried Over .	23,46,76	23,83,00	23,66,98	- 16,02	25,33,72	+1,66,74

4—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward .	23,46,76	23,83,00	23,66,98	—16,02	25,33,72	+1,66,74
Brought Forward .	2,40,43,14	2,75,24,05	2,77,06,10	+1,82,05	3,13,41,16	+36,35,06
17.—Appropriation for Reduction or Avoidance of Debt. .	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL DEBT SERVICES	2,45,43,14	2,80,24,05	2,82,06,10	+1,82,05	3,18,41,16	+36,35,06
ADMINISTRATIVE SERVICES—						
18.—Parliament, State and Union Territory Legislatures . .	3,06,38	2,88,12	2,30,76	—57,36	2,42,21	+11,45
19.—General Administration . . .	19,14,86	19,70,61	19,09,02	—61,59	19,50,82	+41,80
20.—Audit . .	9,08,79	9,70,91	9,69,59	—1,32	10,58,68	+89,09
21.—Administration of Justice . . .	63,79	60,93	52,13	—8,80	49,10	—3,03
22.—Jails . .	23,74	25,56	16,64	—8,92	11,54	—5,10
23.—Police . .	23,44,42	33,52,82	26,94,19	—6,58,63	25,02,24	—1,91,95
24.—External Affairs .	12,87,74	15,17,12	14,92,40	—24,72	16,47,77	+1,55,37
25.—Supplies and Disposals . .	3,15,16	3,21,18	3,33,11	+11,93	3,53,33	+20,22
26.—Miscellaneous Departments . .	3,52,68	3,20,97	3,47,40	+26,43	3,67,88	+20,48
TOTAL—ADMINISTRATIVE SERVICES .	75,17,56	88,28,22	80,45,24	—7,82,98	81,83,57	+1,38,33
CARRIED OVER .	3,44,07,46	3,92,35,27	3,86,18,32	—6,16,95	4,25,58,45	+39,40,13

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Expenditue	Accounts 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward	3,44,07,46	3,92,35,27	3,86,18,32	—6,16,95	4,25,58,45	+39,40,13
SOCIAL AND DEVELOPMENTAL SERVICES						
27.—Scientific Departments	27,13,83	30,14,31	29,90,98	—23,33	31,88,60	+1,97,62
28.—Education	28,24,47	30,03,17	30,37,92	+34,75	40,94,90	+10,56,98
29.—Medical	6,76,36	7,70,01	7,66,48	—3,53	8,65,35	+98,87
30.—Public Health	3,56,83	4,85,05	3,86,45	—98,60	4,56,13	+69,68
31.—Agriculture	8,07,55	8,60,83	7,88,30	—72,53	9,84,79	+1,96,49
32.—Rural Development	69	95	99	+4	30	—69
33.—Animal Husbandry	1,16,98	1,26,58	1,03,18	—23,40	1,27,97	+24,79
34.—Co-operation	3,31,87	3,90,52	3,68,10	—22,42	5,33,62	+1,65,52
35.—Industries	56,44,16	43,35,41	37,28,89	—6,06,52	38,23,91	+95,02
36.—Broadcasting	5,27,22	5,04,08	5,01,92	—2,16	5,50,73	+48,81
37.—Community Development Projects, National Extension Service and Local Development Works	2,11,18	1,91,94	9,64	—92,30	85,42	—14,22
38.—Labour and Employment	5,32,20	6,70,97	6,64,22	—6,75	7,18,91	+54,59
39.—Miscellaneous Social and Developmental Organisations	11,75,00	11,80,86	12,53 96	+73,10	13,81,18	+1,27,22
40.—Capital Outlay on industrial Development met from Revenue	1,74	5,18	3,	—1,76	2,20	—1,22
TOTAL—SOCIAL AND DEVELOPMENTAL SERVICES	1,59,20,08	1,55,39,86	1,46,94,45	—8,45,41	1,68,13,91	+21,19,46
CARRIED OVER	5,03,27,54	5,47,75,13	5,33,12,77	—14,62,36	5,93,72,36	+60,59,59

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease (—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease (—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward .	5,03,27,54	5,47,75,13	5,33,12,77	—14,62,36	5,93,72,36	60,59,59
MULTI-PURPOSE RIVER SCHEMES, IRRIGATION AND ELECTRICITY SCHEMES—						
42.—Multi-purpose River Schemes .	53,29	62,95	71,66	+8,71	1,19,05	47,39
44.—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial) .	12,07	1 ,	6,06	—9,67	5,36	—70
45.—Electricity Schemes. . . .	70,68	1,16,89	57,96	—58,93	59,49	+1,53
TOTAL—MULTI-PURPOSE RIVER SCHEMES, IRRIGATION AND ELECTRICITY SCHEMES	1,36,04	1,95,57	1,35,68	—59,89	1,83,90	+48,22
PUBLIC WORKS (INCLUDING ROADS) AND SCHEMES OF MISCELLANEOUS PUBLIC IMPROVEMENTS—						
50.—Public Works	18,50,47	20,93,99	21,64,89	+70,90	20,20,97	—1,43,92
TRANSPORT AND COMMUNICATIONS (OTHER THAN ROADS)—						
53.—Ports and Pilotage . .	56,81	33,57	55,02	+21,45	41,33	—13,69
54.—Mercantile Marine . .	82,46	98,65	97,68	—97	1,28,62	+30,94
55.—Lighthouses and Lightships . .	1,00,12	1,10,41	1,14,23	+3,82	1,09,30	—4,93
56.—Aviation . .	3,95,07	3,89,00	3,88,91	—9	5,57,21	+1,68,30
57.—Road and Water Transport Schemes . .	1,57,94	2,07,32	78,39	—1,28,93	23,66	—54,73
58.—Overseas Communications Service	1,38,86	1,39,74	1,36,19	—3,55	1,58,30	+22,11
TOTAL—TRANSPORT AND COMMUNICATIONS (OTHER THAN ROADS) . . .	9,31,26	9,78,69	8,70,42	—1,08,27	10,18,42	+1,48,00
Carried Over .	5,32,45,31	5,80,43,38	5,64,83,76	—15,59,62	6,25,95,65	+61,11,89

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease (—) as compared with Budget 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease (—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward .	5,32,45,31,	5,80,43,38	5,64,83,76	—15,59,62	6,25,95,65	+61,11,89
CURRENCY AND MINT—						
62.—Currency and Coinage . .	17,93,58	9,14,09	8,85,74	—28,35	9,53,11	+67,37
63.—MINT . .	2,39,97	2,52,27	2,52,27	..	2,64,39	+12,12
63-A-Kolar Gold Mines	1,69,06	5,58,14	5,37,80	—20,34	5,15,39	—22,41
TOTAL—CURRENCY AND MINT . .	22,02,61	17,24,50	16,75,81	—48,69	17,32,89	+57,08
MISCELLANEOUS—						
64.—Famine Relief .	2,15	3,03	— 9,35	+6,32	54	—8,81
65.—Pensions and other retirement benefits .	5,27,22	5,31,47	5,42,00	+10,53	5,73,21	+31,21
66.—Territorial and Political Pensions .	21,08	22,92	22,31	—61	21,80	—51
67—Privy Purses and Allowances of Indian Rulers .	5,14,55	5,13,39	5,12,62	—77	5,09,17	—3,45
68.—Stationery and Printing . .	3,93,78	3,67,86	3,30,98	—36,88	3,25,09	—5,89
69.—Opium . .	4,37,12	3,02,33	3,41,,63	+39,30	2,68,77	—52,87
70.—Forest . .	4,17,98	4,31,16	2,87,53	—1,43,63	2,52,81	—34,72
71.—Miscellaneous .	81,30,94	89,26,40	71,52,50	—17,73,90	78,79,71	+7,27,21
TOTAL—MISCELLANEOUS . . .	1,04,44,82	1,10,98,56	1,98,92	—18,99,64	98,51,09	+6,52,17
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS—						
73.—Payments of States' share of Union Excise Duties .	1,24,91,33	1,28,06,99	1,35,98,55	+7,91,56	1,40,97,76	+4,99,21
74.—Grants-in-aid to Statea and Union Territory Governments . . .	1,95,03,00	2,17,54,76	2,35,70,08	+18,15,32	2,89,07,51	+53,37,43
75.—Miscellaneous Adjustments between Central, State and Union Territory Governments .	14,37	25,08	30,08	+5,00	28,18	—1,90
76.—Other Miscellaneous Contributions and Assignments .	3,27,68	3,17,13	3,16,10	—1,03	3,85,42	+69,32
TOTAL—CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS . . .	3,23,36,38	3,49,03,96	3,75,14,81	+26,10,85	4,34,18,87	+59,04,06
Carried Over .	9,82,29,12	10,57,70,40	10,48,73,30	—8,97,10	11,75,98,50	+1,27,25,20

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT—*concld.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease (—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease (—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought forward .	9,82,29,12	10,57,70,40	10,48,73,30	—8,97,10	11,75,98,50	+1,27,25,20
EXTRAORDINARY ITEMS						
77. Extraordinary charges .	55,10,48	46,65,73	65,65,75	+19,00,02	1,42,25,75	+76,60,00
78—Prepartition Payments . .	8,79	22,17	15,68	—6,49	20,92	+5,24
78-A.—Expenditure connected with the National Emergency	9,11,43	39,30,83	18,24,11	—21,06,72	5,05,39	+13,18,72
TOTAL—EXTRAORDINARY ITEMS . . .	64,30,70	86,18,73	84,05,54	—2,13,19	1,47,52,06	+63,46,52
DEFENCE SERVICES—						
79—Defence Services—Effective—Army . . .	3,28,42,22	7,07,19,90	5,37,13,58	-12,35,19	5,66,04,00	+28,90,42
80.—Defence Services—Effective—Navy . .	20,41,50		22,62,69		23,10,00	+47,31
81.—Defence Services—Effective—Air Force .	77,88,44		1,35,08,44		1,24,62,00	—10,46,44
82—Defence Services—Non-effective	18,36,68	18,90,50	18,90,50	..	21,90,50	+3,00,00
TOTAL—DEFENCE SERVICES .	4,45,08,84	7,26,10,40	7,13,75,21	—12,35,19	7,35,66,50	+21,91,29
POSTS AND TELEGRAPHS—						
90 —Posts & Telegraphs—						
Working Expenses	82,24,86	87,53,80	90,28,94	+2,75,14	1,14,89,23	+24,60,29
Dividend to General Revenues .	5,67,12	6,82,37	7,31,49	+49,12	8,42,96	+1,11,47
Appropriations from P. & T. Surplus .	9,95,39	13,14,8	16,39,57	+3,24,74	3,67,81	—12,71,76
TOTAL—POST AND TELEGRAPHS .	97,87,37	1,07,51,00	1,14,00,00	+6,49,00	1,27,00,00	+13,00,00
RAILWAYS—						
Railway Expenditure as per Railway Budget . .	5,67,74,19	5,99,95,07	6,22,75,27	+22,80,20	6,68,15,71	+45,40,44
TOTAL—EXPENDITURE MET FROM REVENUE	21,57,30,22	25,77,45,60	25,83,29,32	+5,83,72	28,54,32,77	+2,71,03,45
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS . .	1,13,39,92	..	88,34,47	..	94,08,32	..

C—STATEMENT OF THE RECIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—*concld.*				
Excess of Revenue over Expenditure (from Statement B) . . .	1,13,39,92	..	88,34,47	94,08,32
Capital Accounts outside Revenue Account—LXX.—Sale Proceeds of American and Lease-Lend Surpluses	..	..	..	4,33,00
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—PERMANENT DEBT.—				
Market Loans . .	3,28,93,89	3,93,00,00	4,41,70,00	2,95,00,00
6½ per cent Gold Bonds, 1977 . .	3,39,11	1,00,00	5,21,64	..
Prize Bonds	4,22,80	6,00,00	5,00,00	5,00,00
Annuity Certificates . . .	48,21	50,00	40,00	45,00
TOTAL—PERMANENT DEBT . .	3,37,04,01	4,00,50,00	5,52,31,64	3,00,45,00
II.—FLOATING DEBT—				
Treasury Bills	49,63,02,25	55,87,00,00	54,48,53,00	59,64,20,00
Other Items	3,45,00	3,45,00	3,45,00	3,45,00
TOTAL—FLOATING DEBT . .	49,66,47,25	55,90,45,00	54,51,98,00	59,67,65,00
B.—*Debt raised outside India* .	3,39,56,50	4,62,43,00	5,02,55,41	6,96,97,06
TOTAL—PUBLIC DEBT . .	56,43,07,76	64,53,38,00	64,06,85,05	69,65,07,06
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State and Union Territory Governments . .	1,44,75,10	1,94,86,99	1,85,72,96	2,38,92,37
Other Loans and Advances . .	26,11,97	53,62,36	42,55,94	46,02,87
TOTAL—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT . .	1,70,87,07	2,48,49,35	2,28,28,90	2,84,95,24
INTER-STATE SETTLEMENT .	1,75,91	..	..	..
TOTAL—I.—CONSOLIDATED FUND OF INDIA—RECEIPTS	59,29,10,66	67,01,87,35	67,23,48,42	73,48,43,62

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(It thousands of Rupees)

DISBURSEMENTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimte, 1964-65
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Excess of Expenditure over Revenue (from Statement A)	..	16,22,41	..	..
CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT—				
Security Printing Press	19,20	18,58	18,58	19,56
Improvement of Public Health	47,18	42,66	6,87	5,00
Agricultural Improvement and Research	3,88,59	2,94,54	1,98,52	2,81,71
Capital outlay on Consumer Co-operative	..	..	4,03	1,00
Industrial Development	1,71,35,22	2,24,00,38	2,08,51,85	2,17,21,80
Broadcasting	1,27,27	1,75,00	1,49,74	1,44,72
Multipurpose River Schemes	2,73,82	10,28,65	6,65,24	9,67,66
Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)	41,94	39,86	95,08	90,17
Electricity Schemes	40,63	74,33	11,70	14,60
Public Works	41,64,03	68,11,21	70,44,46	66,06,21
Delhi Capital Outlay	6,83,84	7,38,00	11,97,64	13,73,00
Dandakaranya Development Scheme	4,21,10	3,46,00	4,83,00	4,25,00
Capital outlay on Free Trade zone Kandla	..	..	..	9,90
Capital Outlay on Other Works	3,74,23	5,92,67	3,49,24	3,45,66
Ports	2,04,06	5,95,60	4,45,32	2,48,47
Lighthouses and Lightships	—55	20,45	..	..
Aviation	2,92,53	3,65,95	3,66,04	4,94,74
Capital Outlay on Rail-Road Co-ordination Schemes	5,01	3,00	..	..
Road and Water Transport Schemes	41,76	1,29,00	3,24	..
Overseas Communications Service	38,87	39,92	39,92	28,86
Capital Outlay on shipping, Tankers, etc.	99,54	1,33,22	59,85	1,32,40
Currency and Coinage	8,61,94	11,54,44	13,06,82	8,60,52
Mints	3,81	18,52	18,52	33,09
Capital Outlay on Kolar Gold Mines	17,89	3,35,00	3,30,00	56,23
Forests	9 33	9,33	2,31	1,93
Payments of Commuted Value of Pensions	24,35	14,26	39,27	39,70
Capital Outlay on Sterling Pensions	—3,69,84	—3,73,56	—3,73,56	—6,34,37
Schemes of Government Trading	—22,19,18	49,69,28	30,07,48	31,0350
Grants for Development	15,38,59	18,54,60	17,79,51	21,37,61
Compensation and Rehabilitation Grants to Displaced Persons	—4,28,29	—4,34,95	—8,08,31	—5,16,16
Transfer of Development Assistance from the Government of U.S.A.	82,44,42	61,55,32	67,83,28	1,74,78,40
Capital Outlay on Payments under Indus Waters Treaty	6,89,07	6,63,17	6,63,17	6,07,91
Defence Capital Outlay	48,61,23	1,58,72,00	1,15,63,00	1,36,10,00
Railway Capital (as shown in Railway Budget)	2,14,89,27	2,18,50,00	2,37,25,29	2,53,00,00
Posts and Telegraphs	20,95,71	28,00,00	30,24,44	20,59,00
TOTAL—CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT	6,12,16,57	8,87,37,03	8,30,06,54	9,70,47,82
Carried Over	6,12,16,57	9,03,59,44	8,30,06,54	9,70,47,82

C—STATMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1962-63	Budet Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—*concld.*				
Brought Forward . . .	6,12,16,57	9,03,59,44	8,30,06,54	9,70,47,82
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—Permanent Debt—				
Market Loans . . .	1,82,30,11	1,80,00,00	1,78,15,00	1,92,00,00
Annuity Certificates . . .	28,75	30,00	30,00	35,00
TOTAL—Permanent Debt. .	1,82,58,86	1,80,30,00	1,78,45,00	1,92,35,00
II.—FLOATING DEBT—				
Treasury Bills . . .	48,38,45,75	54,06,00,00	53,88,53,00	58,78,20,00
Other Items	..	3,42,86	3,42,86	3,42,86
TOTAL—FLOATING DEBT . .	48,38,45,75	54,09,42,86	53,91,95,86	58,81,62,86
B.—*Debtr aised outside India* . .	46,29,70	51,26,67	61,49,03	67,25,63
TOTAL—PUBLIC DEBT . .	50,67,34,31	56,40,99,53	56,31,89,89	61,41,23,49
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State and Union Territory Governments . .	5,11,09,35	5,29,14,10	6,18,74,80	6,11,08,68
Other Loans and Advances .	1,28,63,65	1,67,84,21	1,56,99,56	2,16,73,77
TOTAL—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT . .	6,39,73,00	6,96,98,31	7,75,74,36	8,27,82,45
INTER-STATE SETTLEMENT . .	12	90,41	90,41	21
TOTAL.—I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS	63,19,24,00	72,42,47,69	72,38,61,20	79,39,53,97

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of rupees)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
RECEIPTS				
II.—CONTINGENCY FUND OF INDIA—				
CONTINGENCY FUND OF INDIA—				
Appropriations from the Consolidated Fund or from any Reserve Fund .	4	..	66	..
TOTAL—II.—CONTINGENCY FUND OF INDIA—RECEIPTS	4	..	66	..
DISBURSEMENTS				
II.—CONTINGENCY FUND OF INDIA—				
CONTINGENCY FUND OF INDIA—				
Expenditure out of advances from the Contingency Fund of India .	66	..	..	..
TOTAL—II.—CONTINGENCY FUND OF INDIA—DISBURSEMENTS	66	..	..	..

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposit of Service Funds	—2,67,93	2,04	2,02	1,95
Post Office Savings Bank Deposits	2,45,43,38	2,67,00,00	2,50,75,00	2,59,00,00
Compulsory Deposits (Net)	..	25,00,00	15,00,00	..
Income Tax Annuity Deposits	..	..	..	67,00,00
10-Year Treasury Savings Deposit Certificates	6,86,50	..	..	..
10-YearDefence Deposit Certificates	9,77,15	23,20,00	22,20,00	23,50,00
12-Year National Plan Savings Certificates	42,08,00	..	..	..
12-Year National Defence Certificates	53,61,38	90,00,00	1,04,00,00	1,09,00,00
Cumulative Time Deposits	5,62,04	9,30,00	9,50,00	14,00,00
Post Office Cash Certificates	—25	..	..	..
National Savings Certificates	—1,67	..	..	..
10-Year National Plan Certificates				
State Provident Funds	79,85,81	80,30,37	83,32,65	89,19,95
Investment of Deposits of U. S. Government Counterpart Funds (Net)	48,07,00	90,00,00	65,42,00	..
Other Accounts	3,41,19	3,43,53	3,48,04	3,54,44
TOTAL—UNFUNDED DEBT	4,92,02,62	5,88,25,94	5,53,69,71	5,65,26,34
DEPOSITS AND ADVANCES—				
Depreciation and other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Pension Fund	..	..	..	19,59,22
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	71,04,88	84,53,66	84,76,37	87,97,59
Railway Development Fund as per Railway Budget	42,76,23	31,50,23	39,10,51	32,40,40
P.&.T. Renewals Reserve Fund	11,28,62	14,73,94	11,74,66	12,94,45
P.&T. Development Fund, P. & T. Revenue Reserve Fund and Telephone Development Fund	1,65,08	1,30,08	8,38,64	4,64,74
Other Reserve Funds	90,64	1,10,90	1,09,86	1,05,59
(*b*) *Non-Interest bearing*—				
Other Reserve Funds	54,94	66,70	69,51	74,19
Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	5,00,00
Carried Over	1,33,20,39	1,38,85,51	1,50,79,55	1,64,36,18
Carried Over	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34

(In thousands of Rupees)

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III—PUBLIC ACCOUNT—*Contd*				
Brought Forward . . .	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34
Brought Forward . . .	1,33,20,39	1,38,85,51	1,50,79,55	1,64,36,18
Other Deposits and Advances—				
(*a*) *Interest bearing*—				
Shipping Development Fund .	5,72,72	5 38,84	5,35,44	16,96,06
Deposits of Income Tax, Super-Tax, Excess Profits Tax and Surcharge	—17,00	20,00	14,70	15,15
Deposits of Trusts for Indian Princes	4,39	4,22	4,22	4,04
Other Deposits	5,02,19	3,74,62	4,22,00	1,83,52
(*b*) *Non-Interest bearing*—				
Hotel Development Fund . .	..	..	..	50,00
Central Road Fund . . .	4,18,14	4,10,00	4,10,00	4,10,00
Fund for the Benefit of Cotton-growers	87	35,00	35,00	35,00
Marketing Development Fund .	..	..	50,00	3,00,00
Civil Aviation Fund . .	..	..	..	1,00,00
Carried Over . . .	1,48,01,70	1,52,68,19	1,65,50,91	1,92,29,95
Carried Over	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III—PUBLIC ACCOUNT—*Contd*				
Brought Forward . . .	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34
Brought Forward . . .	1,48,01,70	1,52,68,19	1,65,50,91	1,92,29,95
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat . .	8,57,07	11,48,15	11,97,14	9,89,92
Fund from the sale proceeds of Wheat received under the Colombo Plan	1,80,66	1,33,13	2,40,82	1,69,86
Fund from other Assistance under the Colombo Plan . . .	4,74,56	6,05,30	6,94,36	6,58,17
Fund from Assistance under the Indo- U S Technical Cooperation Agreement . . .	7,04,09	3,50,96	1,74,67	1,71,96
Fund from the sale proceeds of American Loan Commodities .	—2,14,15	1,57,73	2,85,18	1,80,74
und from Assistance from Norway for Fisheries Community Development	18,48	20,00	20,00	22,00
Assistance under P L.. 480 . .	1,35,82,60	1,05,00,00	1,29,00,00	3,13,00,00
Coal Mines Labour Housing and General Welfare Fund . .	3,04,18	2,75,00	3,28,54	3,30,00
Iron-Ore Mines Labour Welfare Fund	..	25,00	8,00	25,00
Mica Mines Labour Welfare Fund .	20,12	25,00	26,00	27,00
Iron and Steel Equalisation Fund .	34,26,06	18,30,co	16,00,00	7,00,00
Post Office Certificates and Cumulative Time Deposits Bonu Fund	13,88,09	13,33,62	13,41,06	15,92,82
Deposits of Local Funds . .	11,74,44	10,96,66	6,78,89	4,83,56
Civil Deposits	2,98,72,42	2,37,35,06	3,02,48,83	2,79,08,16
Other Deposits	78,49,33	80,04,57	74,46,42	74,64,58
Carried Over . . .	7,44,39,65	6,45,08,37	7,37,40,82	9,12,53,72
Carried Over . . .	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of rupees)

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—*contd.*				
Brought Forward . . .	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34
Brought Forward . . .	7,44,39,65	6,45,08,37	7,37,40,82	9,12,53,72
Deposits of Income Tax, Super Tax, Excess Profits Tax including Interest and Surcharge . . .	4,78,19	62	..	..
Deposit Account of the assistance given by the Ford Foundation .	42,68	12,39	59,76	25,00
National Defence Fund . . .	50,29,62	20,00,00	9,14,00	14,22
Other Accounts	1,56,86	1,19,58	36,52,61	56,52,86
Emergency Risks (Goods and Factories) Insurance Funds	9,00,00	33,00,00	16,81,89	3,00,00
Accounts with the Government of Burma	..	7	..	57,86
Accounts with the Reserve Bank .	16,90	2,15,92	2,01,57	2,00,36
Other Advances	1,66,45,13	2,23,28,99	1,96,09,02	2,07,41,54
Value of One-rupee Notes issued .	5,00,00	5,00,00	5,00,00	5,00,00
Cash Balance Investment Account (net)	..	..	37,31,71	55,86
Discount Sinking Fund . . .	1,99,96	1,89,44	1,87,79	1,72,23
Other Suspense Accounts (net) .	..	65,97,68	67,38,25	66,63,94
Cheques and Bills (net) . . .	1,64,49	..	9,40,52	..
Departmental and Similar Accounts (net)	1,50,86	53,66	..	14,69,08
Miscellaneous	46,97,21	1,23	1,33,06	23
TOTAL—DEPOSITS AND ADVANCES .	10,34,21,55	9,98,27,95	11,20,91,00	12,71,06,90
Carried Over .	51,26,24,15	51,86,53,89	16,74,60,71	18,36,33,24

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of rupees)

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—*contd.*				
Brought Forward	15,26,24,15	15,86,53,89	16,74,60,71	18,36,33,24
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders	3,70,46,03	3,65,00,00	3,90,00,00	4,20,00,00
Other Remittances	..	—60,79	74,55	78,91
Accounts between Civil and Other Departments—				
Exchange Accounts between Civil and Defence Services	3,93,97	..	..	..
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India	3,19,90,59	1,26,43,26	2,47,99,44	2,14,81,15
TOTAL—REMITTANCES	6,94,30,59	4,90,82,47	6,38,73,99	6,35,60,06
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,64,72,52	80,08,62	79,25,08	1,17,90,99
RESERVE BANK DEPOSITS—				
RAILWAYS	—1,77,12,10	—1,71,32,86	—1,89,92,31	—2,16,07,58
POSTS AND TELEGRAPHS	41,10,93	68,98,81	66,15,21	82,42,85
Defence Services	—4,51,05,07	—8,56,62,43	—7,95,03,47	—8,37,61,52
TOTAL III—PUBLIC ACCOUNT—RECEIPTS	17,98,21,02	11,98,48,50	14,73,79,21	16,18,58,04
TOTAL—(I+II+III)	77,27,31,72	79,00,35,85	81,97,28,29	89,67,01,66
OPENING BALANCE	49,39,87	50,62,05	67,82,93	50,21,10
GRAND TOTAL	77,76,71,59	79,50,97,90	82,65,11,22	90,17,22,76

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of rupees)

DISBURSEMENTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—*contd.*				
UNFUNDED DEBT—				
Deposit of Service Funds	4,10	3,38	3,48	3,38
Post Office Savings Bank Deposits	2,40,77,08	2,34,00,00	2,17,75,00	2,25,50,00
10-Year Treasury Savings Deposits Certificates	6,63,65	7,58,00	5,40,00	5,15,00
10-Year Defence Deposit Certificates	..	20,00	20,00	1,02,00
12-Year National Plan Savings Certificates	22,48,75	21,80,00	25,20,00	23,50,00
12-Year National Defence Certificates	2,59	5,00,00	3,60,00	7,00,00
Cumulative Time Deposits	26,15	30,00	50,00	2,00,00
Post Office Cash Certificates	18,50	24,00	15,00	15,00
Defence Savings Certificates	72	1,00	2,00	1,00
National Savings Certificates	18,07,15	14,66,00	17,73,00	15,07,00
10-Year National Plan Certificates	1,00,21	91,00	1,00,00	1,20,00
State Provident Funds	36,53,51	34,73,71	34,32,41	34,90,73
Special Loans	4,41	2,55	3,82	3,82
Other Accounts	2,12,73	2,04,63	2,10,39	2,13,05
Investment of Deposits of U.S. Government counterpart Funds (Net)	..	..	..	84,84,00
TOTAL—UNFUNDED DEBT	3,28,19,55	3,21,54,27	3,08,05,10	4,02,54,98
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway pension Fund	..	..	..	4,00,00
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	75,36,89	68,00,00	70,50,00	71,00,00
Railway Development Fund as per Railway Budget	23,16,60	26,00,00	29,75,00	33,00,00
P. & T. Renewals Reserve Fund	65,54	1,50,00	1,22,30	5,90,00
P. & T. Development Fund, P. & T. Revenue Reserve Fund and Telephone Development Fund	29,53	50,00	50,00	54,00
Other Reserve Funds	1,13,57	1,09,19	1,10,88	1,00,97
(*b*) *Non-interest bearing*—				
Other Reserve Funds	29,95	38,52	38,49	45,63
OTHER DEPOSITS AND ADVANCES—				
(*a*) *Interest-bearing*—				
Shipping Development Fund	6,12,10	7,21,88	9,15,71	15,96,24
Deposits of Income Tax, Super Tax, Excess Profits Tax and Surcharge	8,41,23	24,14	40,99	16,11
Other Deposits	2,94,98	2,09,69	2,61,63	3,32,54
Carried Over	1,18,40,39	1,07,03,42	1,15,65,00	1,35,35,49
Carried Over	3,28,19,55	3,21,54,27	3,08,05,10	4,02,54,98

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of rupees)

DISBURSEMENTS	Accounts 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—*contd.*				
Brought Forward	3,28,19,55	3,21,54,27	3,08,05,10	4,02,54,98
Brought Forward	1,18,40,39	1,07,03,42	1,15,65,00	1,35,35,49
Deposits under Section 10 (2B) of the Indian Income Tax Act	..	26	..	..
Deposits of Trusts for Indian Princes	22,11	22,11	22,11	22,11
(*b*) *Non-Interest bearing*—				
Central Road Fund	3,18,76	2,00,00	4,37,77	4,84,97
Fund for the Benefit of Cotton-growers	12,53	60,00	55,00	79,00
Cotton Textiles Fund	13,63	14,93	23,84	17,64
Fund for the Protection of Sugar Industry	10,42	1,62	1,62	79
Marketing Development Fund	..	..	50,00	3,00,00
Civil Aviation Fund	..	..	..	..
Fund for the Relief of Linseed Cultivators	42	..	..	..
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat	12,24,65	11,48,15	18,21,16	9,89,92
Fund from the sale proceeds of Wheat received under the Colombo Plan	1	..	..	..
Fund from other Assistance under the Colombo Plan	47,58	67,85	6,35,06	2,52,91
Fund from Assistance under the Indo-U. S. Technical Co-operation Agreement	26,16,92	4,50,88	59,23	70,81
Fund from the sale proceeds of American loan commodities	15,45,99	..	2,80,48	1,75,16
Fund from Assistance from Norway for Fisheries Community Development	18,48	20,00	20,00	22,00
Assistance under P.L. 480	23,80,20	7,70,33	23,19,89	22,17,60
Coal Mines Labour Housing and General Welfare Fund	2,68,99	2,34,27	2,98,15	4,00,16
Iron-Ore Mines Labour Welfare Fund	..	7,00	50	7,00
Mica Mines Labour Welfare Fund	27,25	31,13	35,06	42,38
Iron and Steel Equalisation Fund	23,11,30	12,65,64	14,69,82	12,24,82
Post Office Certificates and Cumulative Time Deposits Bonus Fund	1,30,09	1,65,65	2,46,96	2,21,14
Deposits of Local Funds	11,51,51	11,28,39	7,87,95	4,60,35
Civil Deposits	2,62,90,99	2,33,02,72	2,94,48,83	2,74,08,16
Other Deposits	79,90,67	76,40,09	75,44,85	72,38,27
Deposits of Income Tax, Super Tax, Excess Profits Tax including Interest and Surcharge	12,95	15,16	9,36	3,05
Carried Over	5,82,35,84	4,72,49,60	5,71,32,64	5,51,73,73
Carried Over	3,28,19,55	3,21,54,27	3,08,05,10	4,02,54,98

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*concld.*

(In thousands of rupees)

DISBURSEMENTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate 1964-65
III.—PUBLIC ACCOUNT—*concld.*				
Brought Forward	3,28,19,55	3,21,54,27	3,08,05,10	4,02,54,98
Brought Forward	5,82,35,84	4,72,49,60	5,71,32,64	5,51,73,73
Deposit Account of the assistance given by the Ford Foundation	1,03,29	36,41	36,32	34,13
National Defence Fund	8,89,29	25,00	5,11,25	..
Other Accounts	1,58,82	1,16,73	36,43,64	56,39,38
Emergency Risks (Goods and Factories) Insurance Funds	..	6,00	28,00	22,00
Accounts with the Government of Burma	2,47	37	—3,25	37
Accounts with the Reserve Bank	1,00	2,18,25	1,91,43	2,00,25
Other Advances	1,56,24,31	2,20,66,99	1,94,89,24	2,06,75,39
Cash Balance Investment Account (net)	7,62	13,92,52	..	..
Profits on Coinage	..	15,00,00	..	..
Discount Sinking Fund	1,39,69	..	1,00,92	..
Value of One Rupee Notes issued	22,28	..	..	..
Other Suspense Accounts (net)	14,01,24	..	..	..
Cheques and Bills (net)	..	8,11,71	.	8,74,70
Departmental and Similar Accounts (net)	..	..	52,86,98	..
Miscellaneous	4,20,12	3,05	35,29	2,80
TOTAL—DEPOSITS AND ADVANCES	7,70,05,97	7,34,26,63	8,74,52,46	8,26,22,75
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders	3,68,32,25	3,55,00,00	3,85,00,00	4,20,00,00
Other Remittances	10,78,16	2 00	27,41	16,82,73
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Defence Services	4,38,39	..	..	..
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India	3,34,48,37	1,26,43,26	2,47,99,44	2,14,81,15
TOTAL—REMITTANCES	7,17,97,17	4,81,45,26	6,33,26,85	6,51,63,88
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,60,14,18	80,08,62	79,25,08	1,17,90,99
RESERVE BANK DEPOSITS—				
RAILWAYS	—1,77,12,10	—1,71,32,86	—1,89,92,31	—2,16,07,58
POSTS AND TELEGRAPHS	41,10,93	68,98,81	66,15,21	82,42,85
DEFENCE SERVICES	—4,50,71,70	—8,56,62,43	—7,95,03,47	—8,37,61,52
TOTAL III—PUBLIC ACCOUNT—DISBURSEMENTS	13,89,64,00	6,58,38,30	9,76,28,92	10,27,06,35
TOTAL—(I+II+III)	77,08,88,66	79,00,85,99	82,14,90,12	89,66,60,32
Closing Balance	67,82,93	50,11,91	50,21,10	50,62,44
GRAND TOTAL	77,76,71,59	79,50,97,90	82,611,22	90,17,22,76

NOTE

Under Article 113(2) of the Constitution, the estimates of expenditure to be met from the Consolidated Fund of India, other than the expenditure "Charged" upon that Fund, are to be submitted in the form of Demands for Grants for obtaining the vote of the Lok Sabha. Rule 206 of the Rules of Procedure and Conduct of Business in Lok Sabha, 1957 lays down that, subject to the discretion of the Minister of Finance, a separate Demand shall ordinarily be made for each Ministry of the Government and that each Demand shall contain, first, a statement of the total grant proposed and then a statement of the detailed estimates under each grant divided into items.

2. Accordingly, the Demands for Grants are arranged and presented Ministry-wise and are also bound in separate volumes, one for each Ministry. At the commencement of each volume, a statement is added giving for facility of reference, the total expenditure controlled by the Ministry and included in the various Demands presented on its behalf. The estimates of expenditure 'Charged' upon the Consolidated Fund of India and which in accordance with Article 113(1) of the Constitution are not submitted to the vote of Lok Sabha are indicated in italics in the respective Demands. The estimated recoveries which are adjusted in accounts in reduction of expenditure are shown in the form of a 'Note' below each Demand. These recoveries are excluded from the Demands and are not available for spending by the controlling authorities.

3. Each Demand for Grant is drawn up in two parts. Part I gives the names of the Service and the gross provision of the Demand for both voted and charged items of expenditure separately. Part II indicates the distribution of the total provision by sub-heads and also the recoveries which are adjusted in accounts in reduction of expenditure. In addition, two supporting schedules are added showing the details of the provision of expenditure for Plan schemes and of the staff for which provision has been made in the Demand. The volumes also include brief explanations of the variations in the estimates for both the years, notes on important schemes relating to each Ministry, statements showing important non-Plan items of expenditure costing Rs. 5 lakhs or above and details of major works costing Rs. 5 lakhs or more individually.

4. Since last year Parts III and IV of the Demands giving a distribution of the provision and recoveries respectively by circles of accounts are being printed separately for departmental use. Arrangements are, however, made to supply the library of Parliament with copies of Demands, including circle-wise details given in Part III and IV for reference.

5. Until last year the latest available balance-sheets and profit and loss accounts of public sector undertakings under the control of each Ministry were also appended to the volumes of Demands. With a view to reduce the size of these volumes and also because a consolidated annual report of the working of the industrial and commercial undertakings is now made available to Parliament separately, it has been decided, with the approval of the Estimates Committee and the Public Accounts Committee,

to exclude these balance-sheets and profit and loss accounts from the Demands for Grants.

6. A summary of the Demands for Grants and Charged Appropriations is given in this volume so as to bring all the Demands in one place. As the accounts for 1962-63 have not yet been finally closed, the figures for that year shown in the Demands are provisional.

SUMMARY

OF

DEMANDS FOR GRANTS

1964-65

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
I.—EXPENDITURE MET FROM REVENUE.				
	Ministry of Community Development and Co-operation			
1	Ministry of Community Development and Co-operation. Voted	29,32	29,03	28,80
2	Community Development Projects, National Extension Service and Co-operation Voted .	3,95,48	3,94,60	5,70,44
	Ministry of Defence			
3	Ministry of Defence Voted .	54,13	55,36	60,50
4	Defence Services, Effective—Army Voted .		5,50,77,28	5,82,88,50
	Charged .		9,50	10,00
	TOTAL . .		5,50,86,78	5,82,98,50
5	Defence Services, Effective-Navy. Voted	7,23,46,65	22,67,19	23,14,50
	Charged	*11,00*	50	50
	TOTAL . .		22,67,69	23,15,00
6	Defence Services, Effective—Air Force. Voted		1,35,06,83	1,24,61,00
	Charged		*1,61*	*1,00*
	TOTAL . .		1,35,08,44	1,24,62,00
	TOTAL—CARRIED OVER Voted .	7,28,25,58	7,13,30,29	7,37,23,74
	Charged	*11,00*	*11,61*	*11,50*
	TOTAL . .	7,28,36,58	7,13,41,90	7,37,35,24

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(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD Voted .	7,28,25,58	7,13,30,29	7,37,23,74
	Charged .	*11,00*	*11,61*	*11,50*
	TOTAL . .	7,28,36,58	7,13,41,90	7,37,35,24
7	Defence Services—Non-effective Voted .	18,90,00	18,90,00	21,90,00
	Charged	*50*	*50*	*50*
	TOTAL . .	18,90,50	18,90,50	21,90,50
	Ministry of Education			
8	Ministry of Education . Voted .	44,08	45,30	86,26
9	Education Voted	23,85,49	25,27,09	36,57,71
10	Archaeology. Voted .	1,10,90	1,09,65	1,28,30
11	Survey of India. Voted .	3,61,28	3,73,76	4,16,09
12	Botanical Survey. Voted .	27,81	24,25	28,35
13	Zoological Survey Voted .	19,85	18,02	25,96
14	Other Revenue Expenditure of the Ministry of Education. Voted .	13,60,87	14,58,22	11,81,03
	Ministry of External Affairs			
15	Tribal Areas. Voted	13,69,13	14,34,13	15,86,19
16	External Affairs Voted .	16,87,80	16,87,80	18,54,45
17	Dadra and Nagar Haveli Area. Voted .	14,07	14,07	18,78
18	Other Revenue Expenditure of the Ministry of External Affairs . Voted .	4,82,71	4,86,60	7,81,16
	Ministry of Finance			
19	Ministry of Finance . Voted .	1,87,38	1,81,30	2,22,27
20	Customs Voted	4,17,63	4,14,64	4,63,74
	Charged	*50*	*50*	*50*
	TOTAL . .	4,18,13	4,15,14	4,64,24
	TOTAL—CARRIED OVER Voted .	8,31,84,58	8,19,95,12	8,63,64,03
	Charged	*12,00*	*12,61*	*12,50*
	TOTAL . .	8,31,96,58	8,20,07,73	8,63,76,53

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)		Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL BROUGHT FORWARD—	Voted	8,31,84,58	8,19,95,12	8,63,64,03
		Charged	*12,00*	*12,61*	*12,50*
	TOTAL		8,31,96,58	8,20,07,73	8,63,76,53
21	Union Excise Duties	Voted	10,53,34	10,63,79	11,14,27
		Charged	*58*	*45*	*46*
	TOTAL		10,53,92	10,64,24	11,14,73
22	Taxes on Income including Corporation tax, etc.	Voted	6,88,31	6,99,44	7,87,64
		Charged	*1,45*	*1,45*	*1,46*
	TOTAL		6,89,76	7,00,89	7,89,10
23	Stamps	Voted	3,04,54	3,04,60	3,18,48
24	Audit	Voted	13,11,09	13,05,09	13,95,87
		Charged	*22,19*	*22,19*	*23,30*
	TOTAL		13,33,28	13,27,28	14,19,17
25	Currency and Coinage	Voted	9,31,16	9,09,44	9,71,91
26	Mint	Voted	2,52,52	2,52,52	2,64,69
27	Kolar Gold Mines	Voted	5,58,14	5,37,80	5,15,39
28	Pensions and Other Retirement benefits	Voted	5,32,48	5,96,37	5,88,59
		Charged	*16,30*	*15,26*	*15,38*
	TOTAL		5,48,78	6,11,63	6,03,97
29	Territorial and Political Pensions	Voted	22,92	22,31	21,80
30	Opium	Voted	3,02,33	3,41,63	2,88,76
31	Other Revenue Expenditure of the Ministry of Finance	Voted	88,51,30	88,98,61	1,61,79,92
32	Planning Commission	Voted	95,23	98,45	1,10,63
33	Grants-in-aid to State and Union Territory Governments	Voted	1,53,37,13	1,73,89,63	2,18,90,54
		Charged	*68,43,00*	*69,18,00*	*76,85,81*
	TOTAL		2,21,80,13	2,43,07,63	2,95,76,35
	TOTAL—CARRIED OVER	Voted	11,34,25,07	11,44,14,80	13,08,12,52
		Charged	*68,95,52*	*69,69,96*	*77,38,91*
	TOTAL		12,03,20,59	12,13,84,76	13,85,51,43

(Amounts in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates 1964-65 (5)
	TOTAL—BROUGHT FORWARD Voted	11,34,25,07	11,44,14,80	13,08,12,52
	Charged	*68,95,52*	*69,69,96*	*77,38,91*
	TOTAL . .	12,03,20,59	12,13,84,76	13,85,51,43
34	Miscellaneous Adjustments between the Central and State and Union Territory Governments Voted	25,08	30,08	28,18
35	Pre-partition Payments . Voted .	9,53	6,88	14,92
	Charged	*12,64*	*8,80*	*6,00*
	TOTAL . .	22,17	15,68	20,92
	Interest on Debt and other obligations and Reduction or Avoidance of Debt			
	Charged	*2,80,24,05*	*2,82,15,05*	*3,18,45,62*
	Payments of State's Share of Union Excise Duties			
	Charged	*1,28,06,99*	*1,35,98,55*	*1,40,97,76*
	Ministry of Food and Agriculture			
36	Ministry of Food and Agriculture Voted .	82,36	80,46	84,78
37	Agriculture Voted	3,19,82	3,14,24	4,36,48
38	Agricultural Research . Voted .	5,17,20	5,22,43	6,74,43
39	Animal Husbandry Voted .	96,77	88,15	1,12,94
40	Forest Voted .	1,06,52	1,06,01	1,24,87
41	Other Revenue Expenditure of the Ministry of Food and Agriculture. Voted .	31,79,59	18,61,01	18,63,84
	Charged .	*11,64*	*11,46*	*15,38*
	TOTAL .	31,91,23	18,72,47	18,79,22
	TOTAL—CARRIED OVER Voted .	11,77,61,94	11,74,24,06	13,41,52,96
	Charged	*4,77,50,84*	*4,88,03,82*	*5,37,03,67*
	TOTAL . .	16,55,12,78	16,62,27,88	18,78,56,63

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1963-64	Revised Estimates, 1963-64	Budget Estimate, 1964-65
(1)	(2)	(3)	(4)	(5)
	TOTAL—BROUGHT FORWARD Voted	11,77,61,94	11,74,24,06	13,41,52,96
	Charged	*4,77,50,84*	*4,88,03,82*	*5,37,03,67*
	TOTAL	16,55,12,78	16,62,27,88	18,78,56,63
	Ministry of Health			
42	Ministry of Health Voted	19,34	19,00	22,81
43	Medical and Public Health Voted	10,25,14	10,43,58	12,47,17
44	Other Revenue Expenditure of the Ministry of Health Voted	67,43	72,78	95,21
	Ministry of Home Affairs			
45	Ministry of Home Affairs Voted	4,44,09	4,20,95	4,53,39
46	Cabinet Voted	45,48	45,14	45,83
47	Zonal Councils Voted	2,42	1,97	1,27
48	Administration of Justice Voted	3,02	3,29	3,17
	Charged	*20,88*	*20,38*	*20,62*
	TOTAL	23,90	23,67	23,79
49	Police Voted	16,16,09	14,59,04	14,63,84
50	Census Voted	93,50	99,39	1,36,53
51	Statistics Voted	1,90,71	2,08,09	2,30,05
	Charged	..	*3*	..
	TOTAL	1,90,71	2,08,12	2,30,05
52	Privy Purses and Allowances of Indian Rulers Voted	5,36	2,08	1,14
	Charged	*5,08,03*	*5,10,54*	*5,08,03*
	TOTAL	5,13,39	5,12,62	5,09,17
53	Delhi Voted	18,78,29	18,61,56	21,44,59
	Charged	*35*	*35*	*25*
	TOTAL	18,78,64	18,61,91	21,44,84
	TOTAL—CARRIED OVER Voted	12,31,52,81	12,26,60,93	13,99,97,96
	Charged	*4,82,80,10*	*4,93,35,12*	*5,42,32,57*
	TOTAL	17,14,32,91	17,19,96,05	19,42,30,53

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD Voted	12,31,52,81	12,26,60,93	13,99,97,96
	Charged	*4,82,80,10*	*4,93,35,12*	*5,42,32,57*
	TOTAL	17,14,32,91	17,19,96,05	19,42,30,53
54	Andaman and Nicobar Islands Voted	2,95,34	3,32,61	3,26,37
55	Laccadive, Minicoy and Amindivi Islands Voted	27,45	46,12	47,54
56	Other Revenue Expenditure of the Ministry of Home Affairs Voted	3,14,82	2,02,86	2,75,38
	Ministry of Industry			
57	Ministry of Industry Voted	..	..	37,47
58	Industries Voted	15,48,23	16,05,27	18,52,26
	Charged	..	*1,28*	*5,00*
	TOTAL	15,48,23	16,06,55	18,57,26
59	Salt Voted	62,46	58,04	56,02
60	Other Revenue Expenditure of the Ministry of Industry Voted	33,57	35,29	31,11
	Ministry of Information and Broadcasting			
61	Ministry of Information and Broadcasting Voted	17,58	15,62	15,62
62	Broadcasting Voted	5,61,88	5,49,96	5,91,06
63	Other Revenue Expenditure of the Ministry of Information and Broadcasting Voted	3,96,62	4,06,46	4,60,56
	TOTAL—CARRIED OVER Voted	12,64,10,76	12,59,13,17	14,36,91,35
	Charged	*4,82,80,10*	*4,93,36,40*	*5,42,37,57*
	TOTAL	17,46,90,86	17,52,49,57	19,79,28,92

(Amount in thousands of Rs.)

No. of Demand (1)	Service Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD			
	Voted	12,64,10,76	12,59,13,17	14,36,91,35
	Charged	*4,82,80,10*	*4,93,36,40*	*5,42,37,57*
	TOTAL	17,46,90,86	17,52,49,57	19,79,28,92
	Ministry of International Trade			
64	Ministry of International Trade Voted .	..	..	33,29
65	Foreign Trade Voted	3,83,65	4,74,58	9,33,34
	Charged .	5	5	5
	TOTAL .	3,83,70	4,74,63	9,33,39
66	Other Revenue Expenditure of the Ministry of International Trade . . . Voted .	6,40,44	2,83,95	3,19,51
	Ministry of Irrigation and Power			
67	Ministry of Irrigation and Power Voted .	27,21	27,01	25,83
68	Multi-purpose River Schemes Voted .	1,19,13	1,37,13	1,92,03
69	Other Revenue Expenditure of the Ministry of Irrigation and Power . Voted .	5,47,32	6,27,60	9,01,33
	Charged .	..	*80*	..
	TOTAL .	5,47,32	6,28,40	9,01,33
	Ministry of Labour and Employment			
70	Ministry of Labour and Employment Voted .	27,10	27,09	29,57
71	Chief Inspector of Mines . voted .	27,99	27,20	34,82
72	Labour and Employment .	8,23,16	9,07,27	11,28,01
73	Other Revenue Expenditure of the Ministry of Labour and Employment Voted .	2,05,88	62,52	14,91
	Ministry of Law			
74	Ministry of Law Voted .	40,64	39,37	46,06
75	Elections Voted .	1,39,19	89,51	85,90
	TOTAL—CARRIED OVER .			
	Voted .	12,93,92,47	12,86,16,40	14,74,35,95
	Charged .	*4,82,80,15*	*4,93, 7,25*	*5,42, 7,62*
	TOTAL .	17,76,72,62	17,79,53.65	20,16,73,57

(Amounts in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD			
	Voted .	12,93,92,47	12,86,16,40	14,74,35,95
	Charged .	*4,82,80,15*	*4,93,37,25*	*5,42,37,62*
	TOTAL .	17,76,72,62	17,79,53,65	20,16,73,57
76	Other Revenue Expenditure of the Ministry of Law . .Voted .	4,30	2,00	2,20
	Ministry of Petroleum and Chemicals			
77	Ministry of Petroleum and Chemicals Voted .	..	..	17,65
78	Other Revenue Expenditure of the Ministry of Petroleum and Chemicals Voted .	46,00	75,02	95,09
	Ministry of Steel, Mines and Heavy Engineering			
79	Ministry of Steel, Mines and Heavy Engineering Voted .	31,21	30,32	41,17
80	Geological Survey . Voted .	4,15,42	3,15,77	3,54,37
81	Other Revenue Expenditure of the Ministry of Steel Mines and Heavy Engineering Voted .	42,69,73	42,32,24	38,32,80
	Ministry of Transport			
82	Ministry of Transport . Voted .	..		1,06,19
83	Meteorology Voted .	2,11,35	2,11,34	2,68,12
84	Central Road Fund . Voted .	4,35,00	4,33,27	4,40,47
85	Communication (including National Highways) Voted	7,37,93	7,36,59	7,66,37
86	Mercantile Marine Voted	99,57	98,56	1,29,53
	TOTAL—CARIERD OVER			
	Voted	13,56,42,98	13,47,51,51	15,34,89,91
	Charged .	*4,82,80,15*	*4,93,37,25*	*5,42,37,62*
	TOTAL	18,39,23,13	18,40,88,76	20,77,27,53

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)		Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD.	Voted	13,56,42,98	13,47,51,51	15,34,89,91
		Charged	*4,82,80,15*	*4,93,37,25*	*5,42,37,62*
		TOTAL .	18,39,23,13	18,40,88,76	20,77,27,53
87	Lighthouses and Lightships.	Voted	1,10,41	1,14,23	1,09,30
88	Aviation	Voted	5,51,38	5,51,34	7,04,22
89	Other Revenue Expenditure of the Ministry of Transport .	Voted	3,11,69	2,54,27	3,07,29
	Ministry of Works, Housing and Rehabilitation.				
90	Ministry of Works, Housing and Rehabilitation .	Voted	45,03	42,89	46,64
91	Public Works . .	Voted	34,50,50	37,00,39	33,80,21
		Charged .	*32,20*	*32,82*	*33,08*
	TOTAL .		34,82,70	37,33,21	34,13,29
92	Stationery and Printing	Voted	9,74,20	11,53,12	11,54,69
93	Expenditure on Displaced Persons . . .	Voted	8,39,84	11,75,18	8,45,29
		Charged	*85*	*1,33*	*72*
	TOTAL .		8,40,69	11,76,51	8,46,01
94	Other Revenue Expenditure of the Ministry of Works, Housing and Rehabilitation.	Voted	77,54	74,96	90,59
	TOTAL—CARRIED OVER	Voted .	14,20,03,57	14,18,17,89	16,01,28,14
		Charged .	*4,83,13,20*	*4,93,71,40*	*5,42,71,42*
		TOTAL .	19,03,16,77	19,11,89,29	21,43,99,56

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD Voted	14,20,03,57	14,18,17,89	16,01,28,14
	Charged .	*4,81,33,20*	*4,93,71,40*	*5,42,71,42*
	TOTAL . . .	19,03,16,77	19,11,89,29	21,43,99,56
	Department of Atomic Energy			
95	Department of Atomic Energy Voted	15,73	15,60	19,28
96	Atomic Energy Research Voted	8,50,02	8,27,07	9,97,29
	Department of Parliamentary Affairs			
97	Department of Parliamentary Affairs. Voted	3,17	3,07	3,65
	Department of Posts and Telegraphs			
98	Department of Posts and Telegraphs Voted	..	..	9,79
99	Overseas Communications Service Voted	1,39,94	1,36,66	1,58,71
100	Posts and Telegraphs (Working Expenses) Voted	95,66,55	99,21,55	1,23,77,19
	Charged .	*60*	*40*	*30*
	TOTAL .	95,67,15	99,21,95	1,23,77,49
101	Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds Voted	19,97,20	23,71,06	12,10,77
102	Other Revenue Expenditure of the Department of Posts and Telegraphs Voted	17,14	15,74	26,50
	Department of Supply			
103	Department of Supply. Voted	44,56	44,36	51,52
104	Supplies and Disposals Voted	3,21,61	3,33,54	3,53,76
	TOTAL—Carried Over Voted	15,49,59,49	15,54,86 54	17,53,36,60
	Charged	*4,83,13,80*	*4,93,71,80*	*5,42,71,72*
	TOTAL .	20,32,73,29	20,48,58,34	22,96,08,32

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD Voted	15,49,59,49	15,54,86,54	17,53,36,60
	Charged	*4,83,13,80*	*4,93,71,80*	*5,42,71,72*
	TOTAL . . .	20,32,73,29	20,48,58,34	22,96,08,32
105	Other Revenue Expenditure of the Department of Supply Voted .	18,42	10,41	10,41
	Department of Technical Development			
106	Department of Technical Development. Voted .	..	..	3,08
107	Other Revenue expenditure of the Department of Technical Development. Voted. .	38,47	41,14	44,57
	Parliament, Secretariats of the President and Vice-President and Union Public Service Commission.			
108	Lok Sabha. Voted .	96,20	95,54	1,06,09
	Charged .	*66*	*65*	*66*
	TOTAL . .	96,86	96,19	1,06,75
109	Other Revenue Expenditure of Lok Sabha Voted .	42	40	45
110	Rajya Sabha Voted	43,02	39,87	45,27
	Charged	*67*	*67*	*67*
	TOTAL . .	43,69	40,54	45,94
	Staff Household and allowances of the President *Charged*	*27,13*	*26,87*	*29,46*
111	Secretariat of the Vice President Voted .	1,23	1,48	2,17
	Union Public Service Commission *Charged*	*49,15*	*48,88*	*51,27*
	Ministry of Commerce and Industry Voted .	76,46	83,88	..
	Ministry of Economic and Defence Co-ordination Voted .	16,81	16,81	..
	Naga-Hills—Tuensang Area Voted .	6,05,33	4,04,20	..
	TOTAL—CARRIED OVER Voted .	15,58,55,85	15,61,80,27	17,55,48,64
	Charged .	*4,83,91,41*	*4,94,48 87*	*5,43,53,78*
	TOTAL .	20,42,47,26	20,56,29,14	22,99,02,42

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD Voted	15,58,55,85	15,61,80,27	17,55,48,64
	Charged	*4,83,91,41*	*4,94,48,87*	*5,43,53,78*
	TOTAL . . .	20,42,47,26	20,56,29,14	22,99,02,42
	State of Pondicherry. Voted .	3,76,67	94,09	..
	Goa, Daman and Diu. Voted	7,07,41	5,30,89	..
	Himachal Pradesh Voted	11,04,51	2,66,11	..
	Manipur Voted	4,52,14	78,78	..
	Tripura Voted	8,29,95	1,36,33	..
	Ministry of Mines and Fuel. Voted .	24,85	23,91	..
	Ministry of Scientific Research and Cultural Affairs. . . Voted	37,38	35,63	..
	Ministry of Transport and Communications Voted	1,02,25	98,35	..
	TOTAL Voted	15,94,91,01	15,74,44,36	17,55,48,64
	Charged	*4,83,91,41*	*4,94,48,87*	*5,43,53,78*
	TOTAL—I. Expenditure met from Revenue (a) .	20,78,82,42	20,68,93,23	22,99,02,42
	(*a*) Expenditure shown in the Budget Statement	25,77,45,60	25,83,29,32	28,54,32,77
	Amount of recoveries shown in reduction of expenditure . .	1,01,31,89	1,08,39,18	1,12,85,36
	TOTAL .	26,78,77,49	26,91,68,50	29,67,18,13
	Deduct.—Railway Expenditure . .	—5,99,95,07	—6,22,75,27	—6,68,15,71
	TOTAL .	20,78,82,42	20,68,93,23	22,99,02,42
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES :			
	Ministry of Community Development and Co-operation.			
112	Capital Outlay of the Ministry of Community Development and Co-operation Voted	31,99	23,00	14,00
	Ministry of Defence			
113	Defence Capital Outlay . Voted	1,58,77,00	1,15,48,00	1,40,95,00
	Charged	*15,00*	*15,00*	*15,00*
	TOTAL .	1,58,92,00	1,15,63,00	1,41,10,00
	TOTAL—CARRIED OVER Voted	1,59,08,99	1,15,71,00	1,41,09,00
	Charged	*15,00*	*15,00*	*15,00*
	TOTAL . .	1,59,23,99	1,15,86,00	1,41,24,00

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimate 1963-64 (3)	Revised Estimate 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD :			
	Voted . .	1,59,08,99	1,15,71,00	1,41,09,70
	Charged . .	*15,00*	*15,00*	*15,00*
	TOTAL . .	1,59,23,99	1,15,86,00	1,41,24,00
	Ministry of Education			
114	Capital Outlay of the Ministry of Education			
	Voted . .	3,09,04	5,58,91	5,60,00
	Ministry of External Affairs			
115	Capital Outlay of the Ministry of External Affairs :			
	Voted . .	1,23,00	1,50,00	1,65,00
	Ministry of Finance			
116	Capital Outlay on the India Security Press :			
	Voted . .	18,58	18,58	19,56
117	Capital Outlay on Currency and Coinage :			
	Voted . .	14,34,79	16,07,03	11,60,73
118	Capital Outlay on Mints			
	Voted . .	18,52	18,52	33,09
119	Capital Outlay on Kolar Gold Mines . .			
	Voted . .	3,59,32	3,57,48	80,58
120	Commuted Value of Pensions :			
	Voted . .	1,05,90	1,30,62	1,23,80
	Charged . .	*1,22*	*1,42*	*1,20*
	TOTAL	1,07,12	1,32,04	1,25,00
121	Other Capital Outlay of the Ministry of Finance :			
	Voted .	64,36,59	70,40,77	1,78,27,41
122	Capital Outlay on Grants to State and Union Territory Governments for Development .			
	Voted . .	24,57,83	22,44,70	28,22,05
	TOTAL—CARRIED OVER :			
	Voted . .	2,71,72 56	2,36,97,61	3,69,01,2 2
	Charged . .	*16,22*	*16,42*	*16,20*
	TOTAL . . .	2,71,88,78	2,37,14,03	3,69,17,42

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1963-64	Revised Estimates, 1963-64	Budget Estimates, 1964-65
(1)	(2)	(3)	(4)	(5)
	TOTAL—BROUGHT FORWARD			
	Voted	2,71,72,56	2,36,97,61	3,69,01,22
	Charged	*16,22*	*16,42*	*16,20*
	TOTAL	2,71,88,78	2,37,14,03	3,69,17,42
123	Loans and Advances by the Central Government			
	Voted	1,74,53,99	1,90,17,99	2,54,12,87
	Charged	*5,41,08,25*	*6,26,08,25*	*6,05,80,33*
	TOTAL	7,15,62,24	8,16,26,24	8,59,93,09
	Repayment of Debt			
	Charged	56,41,89,94	56,32,80,30	61,41,23,70
	Ministry of Food and Agriculture			
124	Capital Outlay on Forests			
	Voted	9,93	2,31	1,93
125	Purchase of Foodgrains :			
	Voted	2,57,30,36	2,82,30,36	2,50,88,49
	Charged	*1,00*	*1,00*	*1,00*
	TOTAL	2,57,31,36	2,82,31,36	2,50,89,49
126	Other Capital Outlay of the Ministry of Food and Agriculture.			
	Voted	65,75,43	61,71,58	73,67,97
	Charged	*10*	*10*	*10*
	TOTAL	65,75,53	61,71,68	73,68,07
	Ministry of Health			
127	Capital Outlay of the Ministry of Health :			
	Voted	9,29,51	12,07,62	10,83,65
	Ministry of Home Affairs.			
128	Capital Outlay of the Ministry of Home Affairs			
	Voted	73,35	76,35	75,69
	Ministry of Industry			
129	Capital Outlay of the Ministry of Industry :			
	Voted	2,77,52	1,91,02	3,12,32
	TOTAL—CARRIED OVER			
	Voted	7,82,22,65	7,85,94,84	9,62,44,03
	Charged	*61,83,15,51*	*62,59,06,07*	*67,47,21,33*
	TOTAL	69,65,38,16	70,45,00,91	77,09,65,36

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD			
	Voted	7,82,22,65	7,85,94,84	9,62,44,03
	Charged	*61,83,15,51*	*62,59,06,07*	*67,47,21,33*
	TOTAL	69,65,38,16	70,45,00,91	77,09,65,36
	Ministry of Information and Broadcasting			
130	Capital Outlay of the Ministry of Information and Broadcasting			
	Voted .	2,97,55	2,89,55	2,10,73
	Charged .	..	*3,12*	*25*
	TOTAL	2,97,55	2,92,67	2,10,98
	Ministry of International Trade			
131	Capital Outlay of the Ministry of International Trade			
	Voted .	49,25	2,20,00	80,00
	Ministry of Irrigation and Power			
132	Capital Outlay on Multi-purpose River Schemes			
	Voted	10,28,65	7,29,89	10,54,67
133	Other Capital Outlay of the Ministry of Irrigation and Power			
	Voted .	18,18,53	12,43,80	9,34,67
	Ministry of Labour and Employment			
134	Capital Outlay of the Ministry of Labour and Employment.			
	Voted	85	5,46	3,72
	Ministry of Petroleum and Chemicals			
135	Capital Outlay of the Ministry of Petroleum and Chemicals.			
	Voted .	56,14,80	60,86,69	51,53,41
	Ministry of Steel, Mines and Heavy Engineering.			
136	Capital Outlay of the Ministry of Steel, Mines and Heavy Engineering.			
	Voted.	1,47,53,86	1,34,62,66	1,37,86,82
	TOTAL—CARRIED OVER .			
	Voted .	10,17,86,14	10,06,32,89	11,74,48,04
	Charged .	*61,83,15,51*	*62,59,09,19*	*67,47,21,58*
	TOTAL : .	72,01,01,65	72,65,42,08	79,21,69,62

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1963-64	Revised Estimates, 1963-64	Budget Estimates, 1964-65
(1)	(2)	(3)	(4)	(5)
	TOTAL—BROUGHT FORWARD			
	VOTED .	10,17,86,14	10,06,32,89	11,74,48,04
	Charged .	*61,83,15,51*	*62,59,09,19*	*67,47,21,58*
	TOTAL .	72,01,01,65	72,65,42,08	79,21,69,62
	Ministry of Transport			
137	Capital Outlay on Roads			
	Voted .	62,31,21	65,09,46	59,70,95
138	Capital Outlay on Ports .			
	Voted	7,02,40	5,65,25	2,66,47
139	Capital Outlay on Civil Aviation.			
	Voted .	3,65,70	3,65,79	4,94,49
	Charged .	*25*	*25*	*25*
	TOTAL .	3,65,95	3,66,04	4,94,74
140	Other Capital Outlay of the Ministry of Transport.			
	Voted .	6,76,92	4,57,24	6,88,09
	Ministry of Works, Housing and Rehabilitation			
141	Capital Outlay on Public Works			
	Voted .	7,94,00	8,44,00	9,45,26
	Charged .	*6,00*	*6,00*	*5,00*
	TOTAL .	8,00,00	8,50,00	9,50,26
142	Delhi Capital Outlay			
	Voted .	7,88,00	18,78,64	24,69,08
	Charged .	*12,00*	*12,00*	*31,92*
	TOTAL .	8,00,00	18,90,64	25,01,00
	TOTAL—CARRIED OVER .			
	Voted .	11,13,44,37	11,12,53,27	12,82,82,38
	Charged .	*61,83,33,76*	*62,59,27,44*	*67,47,58,75*
	TOTAL .	72,96,78,13	73,71,80,71	80,30,41,13

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1963-64 (3)	Revised Estimates, 1963-64 (4)	Budget Estimates, 1964-65 (5)
	TOTAL—BROUGHT FORWARD			
	Voted	11,13,44,37	11,12,53,27	12,82,82,38
	Charged	*61,83,33,76*	*62,59,27,44*	*67,47,58,75*
	TOTAL	72,96,78,13	73,71,80,71	80,30,41,13
143	Other Capital Outlay of the Ministry of Works, Housing and Rehabilitation			
	Voted	9,08,29	10,14,57	8,61,95
	Charged	*10*	*25*	*30*
	TOTAL	9,08,39	10,14,82	8,62,25
	Department of Atomic Energy			
144	Capital Outlay of the Department of Atomic Energy.			
	Voted	16,46,40	10,01,06	19,81,70
	Department of Posts and Telegraphs			
145	Capital Outlay on Posts and Telegraphs (Not met from Revenue).			
	Voted	38,71,61	42,98,30	42,04,00
146	Other Capital Outlay of the Department of Posts and Telegraphs.			
	Voted	49,27	48,77	46,00
	Capital Outlay of the Ministry of Economic and Defence Co-ordination.			
	Voted	1,00	1,00	..
	TOTAL—II—EXPENDITURE MET FROM CAPITAL ETC.			
	Voted	11,78,20,94	11,76,16,97	13,53,76,03
	Charged	*61,83,33,86*	*62,59,27,69*	*67,47,59,05*
	TOTAL	73,61,54,80	74,35,44,66	81,01,35,08
	GRAND TOTAL I AND II			
	Voted	27,73,11,95	27,50,61,33	31,09,24,67
	Charged	*66,67,25,27*	*67,53,76,56*	*72,91,12,83*
	TOTAL	94,40,37,22	95,04,37,89	1,04,00,37,50

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1964

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1964-65.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Appropriation (Vote on Account) Act, 1964.

2. **Withdrawal of Rs. 13,03,52,27,000 from and out of the Consolidated Fund of India for the financial year 1964-65.**—From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of one thousand three hundred and three crores, fifty-two lakhs and twenty-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1964-65.

3. **Appropriation.**—The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Community Development and Co-operation .	2,40,000	..	2,40,000
2	Community Development Projects, National Extension Service and Co-operation .	47,54,000	..	47,54,000
3	Ministry of Defence	5,04,000	..	5,04,000
4	Defence Services—Effective—Army	48,57,37,000	*84,000*	48,58,21,000
5	Defence Services—Effective—Navy	1,92,88,000	*4,000*	1,92,92,000
6	Defence Services—Effective—Air Force	10,38,42,000	*8,000*	10,38,50,000
7	Defence Services—Non-Effective	1,82,50,000	*4,000*	1,82,54,000
8	Ministry of Education .	7,19,000	..	7,19,000
9	Education	3,04,81,000	..	3,04,81,000
10	Archaeology	10,69,000	..	10,69,000
11	Survey of India . . .	34,67,000	..	34,67,000
12	Botancial Survey . . .	2,36,000	..	2,36,000
13	Zoological Survey . . .	2,16,000	..	2,16,000
14	Other Revenue Expenditure of the Ministry of Education	98,42,000	..	98,42,000
15	Tribal Areas . . .	1,32,18,000	..	1,32,18,000
16	External Affairs . . .	1,54,54,000	..	1,54,54,000
17	Dadra and Nagar Haveli Area	1,56,000	.	1,56,000
18	Other Revenue Expenditure of the Ministry of External Affairs	65,10,000	.	65,10,000
19	Ministry of Finance . .	18,52,000	.	18,52,000
20	Custom . .	38,64,000	*4,000*	38,68,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
21	Union Excise Duties . .	92,86,000	*4,000*	92,90,0000
22	Taxes on Income including Corporation Tax, etc. . .	65,64,000	*12,000*	65,76,000
23	Stamps	26,54,000	..	26,54,000
24	Audit	1,16,32,0000	*1,94,000*	1,18,26,000
25	Currency and Coinage . .	80,99,000	..	80,99,000
26	Mint	22,06,000	..	22,06,000
27	Kolar Gold Mines . .	42,95,000	..	42,95,000
28	Pensions and other Retirement benefits	98,09,000	*2,56,000*	1,00,65,000
29	Territorial and Political Pensions	1,82,000	..	1,82,000
30	Opium	2,36,39,000	..	2,36,39,000
31	Other Revenue Expenditure of the ministry of Finance	13,48,33,000	..	13,48,33,000
32	Planning Commission . .	9,22,000	..	9,22,000
33	Grants-in-aid to State and Union territory Governments .	18,24,24,000	*19,21,45,000*	37,45,69,000
34	Miscellaneous Adjustments between the Central and State and Union territory Governments.	2,35,000	..	2,35,000
35	Pre-partition Payments . .	1,24,000	*50,000*	1,74,000
	Charged—Interest on Debt and Other Obligations and Reduction or avoidance of debt .	..	*26,12,13,000*	26,12 ,13,000
36	Ministry of Food and Agriculture	7,07,000	..	7,07,000
37	Agriculture	36,37,000	..	36,37,000
38	Agricultural Research . .	56,20,000	..	56,20,000
39	Animal Husbandry . .	9,41,000	..	9,41,000
40	Forest	10,41,000	..	10,41,000
41	Other Revenue Expenditure of the Ministry of Food and Agriculture . . .	1,55,32,000	*1,28,000*	1,56,60,000
42	Ministry of Health . .	1,90,000	..	1,90,000
43	Medical and Public Health .	1,03,93,000	..	1,03,3,93,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
44	Other Revenue Expenditure of the Ministry of Health .	7,93,000	..	7,93,000
45	Ministry of Home Affairs .	37,78,000	..	37,78,000
46	Cabinet	3,82,000	..	3,82,000
47	Zonal Councils . . .	11,000	..	11,000
48	Administration of Justice .	26,000	1,72,000	1,98,000
49	Police	1,21,99,000	..	1,21,99,000
50	Census	11,38,000	..	11,38,000
51	Statistics	19,17,000	..	19,17,000
52	Privy Purses and Allowances of Indian Rulers . . .	28,000	1,27,01,000	1,27,29,000
53	Delhi	1,78,72,000	2,000	1,78,74,000
54	Andaman and Nicobar Islands	27,19,000	..	27,19,000
55	Laccadive, Minicoy and Amindivi Islands . .	3,96,000	..	3,96,000
56	Other Revenue Expenditure of the Ministry of Home Affairs	22,95,000	..	22,95,000
57	Ministry of Industry . .	3,12,000	..	3,12,000
58	Industries	1,54,36,000	42,000	1,54,78,000
59	Salt	4,67,000	..	4,67,000
60	Other Revenue Expenditure of the Ministry of Industry .	2,59,000	..	2,59,000
61	Ministry of Information and Broadcasting . . .	1,30,000	..	1,30,000
62	Broadcasting	49,26,000	..	49,26,000
63	Other Rvenue Expenditur of the Ministry of Information and Broadcasting . .	38,38,000	..	38,38,000
64	Ministry of International Trade	2,77,000	..	2,77,000
65	Foreign Trade	77,78,000	1,000	77,79,000
66	Other Revenue Expenditure of the Ministry of International Trade . . .	26,63,000	..	26,63,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
67	Ministry of Irrigation and Power	2,15,000	..	2,15,000
68	Multi-purpose River Schemes .	16,00,000	..	16,00,000
69	Other Revenue Expenditure of the Ministry of Irrigation and Power	75,11,000	..	75,11,000
70	Ministry of Labour and Employment	2,46,000	..	2,46,000
71	Chief Inspector of Mines .	2,90,000	..	2,90,000
72	Labour and Employment .	94,00,000	..	94,00,000
73	Other Revenue Expenditure of the Ministry of Labour and Employment . . .	1,24,000	..	1,24,000
74	Ministry of Law . . .	3,84,000	..	3,84,000
75	Elections	7,16,000	..	7,16,000
76	Other Revenue Expenditu reof the Ministry of Law . .	18,000	..	18,000
77	Ministry of Petroleum and Chemicals . . .	1,47,000	..	1,47,0 00
78	Other Revenue Expenditure of the Ministry of Petroleum and Chemicals . . .	7,92,000	..	7,92,000
79	Ministry of Steel, Mines and Heavy Engineering . .	3,43,000	..	3,43,000
80	Geological Survey . . .	29,53,000	..	29,53,000
81	Other Revenue Expenditure of the Ministry of Steel, Mines and Heavy Engineering .	3,19,40,000	..	3,19,40,0000
82	Ministry of Transport . .	8,85,000	..	8,85,000
83	Meteorology	22,34,000	..	22,34,000
84	Central Road Fund . .	36,71,000	..	36,71,000
85	Communications (including National Highways) . .	63,86,000	..	63,86,000
86	Mercantile Marine	10,79,000	..	10,79,000
87	Lighthouses and Lightships	9,11,000	..	9,11,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
88	Aviation	58,68,000	..	58,68,000
89	Other Revenue Expenditure of the Ministry of Transport .	25,61,000	..	25,61,000
90	Ministry of Works, Housing and Rehabilitation . . .	3,89,000	..	3,89,000
91	Public Works. . . .	2,81,68,000	2,76,000	2,84,44,000
92	Stationery and Printing . .	96,22,000	..	96,22,000
93	Expenditure on Displaced Persons	70,44,000	6,000	70,50,000
94	Other Revenue Expenditure of the Ministry of Works, Housing and Rehabilitation .	7,55,000	..	7,55,000
95	Department of Atomic Energy	1,61,000	..	1,61,000
96	Atomic Energy Research . .	83,11,000	..	83,11,000
97	Department of Parliamentary Affairs . . .	30,000	..	30,000
98	Department of Posts and Telegraphs	82,000	..	82,000
99	Overseas Communications Service	13,23,000	..	13,23,000
100	Posts and Telegraphs (Working Expenses) . . .	10,31,43,000	2,000	10,31,45,000
101	Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds . . .	1,00,90,000	..	1,00,90,000
102	Other Revenue Expenditure of the Department of Posts and Telegraphs	2,21,000	..	2,21,000
103	Department of Supply . .	4,29,000	..	4,29,000
104	Supplies and Disposals .	29,48,000	..	29,48,000
105	Other Revenue Expenditure of the Department of Supply .	87,000	..	87,000
106	Department of Technical Development . . .	26,000	..	26,000
107	Other Revenue Expenditure of the Department of Technical Development . . .	3,71,000	..	3,71,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
108	Lok Sabha	8,84,000	6,000	8,90,000
109	Other Revenue Expenditure of Lok Sabha	45,000	..	45,000
110	Rajya Sabha	3,77,000	6,000	3,83,000
	CHARGED—*Staff, Household and Allowances of the President* .	..	2,45,000	2,45,000
111	Secretariat of the Vice-President	18,000	..	18,000
	CHARGED—*Union Public Service Commission* . . .	..	4,27,000	4,27,000
112	Capital Outlay of the Ministry of Community Development and Co-operation . .	1,17,000	..	1,17,000
113	Defence Capital Outlay . .	11,74,58,000	1,25,000	11,75,83,000
114	Capital Outlay of the Ministry of Education . . .	46,67,000	..	46,67,000
115	Capital Outlay of the Ministry of External Affairs . .	13,75,000	..	13,75,000
116	Capital Outlay on the India Security Press . . .	1,63,000	..	1,63,000
117	Capital Outlay on Currency and Coinage	96,73,000	..	96,73,000
118	Capital Outlay on Mints . .	2,76,000	..	2,76,000
119	Capital Outlay on Kolar Gold Mines	6,71,000	..	6,71,000
120	Commuted Value of Pensions .	10,32,000	10,000	10,42,000
121	Other Capital Outlay of the Ministry of Finance . .	14,85,62,000	..	14,85,62,000
122	Capital Outlay on Grants to State and Union Territory Governments for Development	2,35,17,000	..	2,35,17,000
123	Loans and Advances by the Central Government . .	26,17,73,000	55,48,36,000	81,66,09,000
	CHARGED—*Repayment of Debt* .	..	9,24,03,75,000	9,24,03,75,000
124	Capital Outlay on Forests .	16,000	..	16,000

1	2	3		
of Vote	Services and purposes	Sum not exceeding		
		Voted by Parliament	Charged on the consolidated Fund	Total
		Rs.	Rs.	Rs.
125	Purchase of Foodgrains . .	31,34,00,000	8,000	31,34,08,000
126	Other Capital Outlay of the Ministry of Food and Agriculture	6,14,00,000	1,000	6,14,01,000
127	Capital Outlay of the Ministry of Health	90,30,000	..	90,30,000
128	Capital Outlay of the Ministry of Home Affairs . . .	6,31,000	..	6,31,000
129	Capital Outlay of the Ministry of Industry . . .	26,03,000	..	26,03,000
130	Capital Outlay of the Ministry of Information and Broadcasting	17,56,000	2,000	17,58,000
131	Capital Outlay of the Ministry of International Trade . .	5,00,000	..	5,00,000
132	Capital Outlay on Multipurpose River Schemes . . .	87,89,000	..	87,89,000
133	Other Capital Outlay of the Ministry of Irrigation and Power . . .	77,89,000	..	77,89,000
134	Capital Outlay of the Ministry of Labour and Employment .	31,000	..	31,000
135	Capital Outlay of the Ministry of Petroleum and Chemicals .	4,29,45,000	..	4,29,45,000
136	Capital Outlay of the Ministry of Steel, Mines and Heavy Engineering . . .	11,48,90,000	..	11,48,90,000
137	Capital Outlay on Roads .	4,97,58,000	..	4,97,58,000
138	Capital Outlay on Ports . .	22,20,000	..	22,20,000
139	Capital Outlay on Civil Aviation	41,21,000	2,000	41,23,000
140	Other Capital Outlay of the Ministry of Transport . .	57,34,000	..	57,34,000
141	Capital Outlay on Public Works	78,77,000	43,000	79,20,000
142	Delhi Capital Outlay . .	2,05,76,000	2,66,000	2,08,42,000
143	Other Capital Outlay of the Ministry of Works, Housing and Rehabilitation . .	71,83,000	2,000	71,85,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
144	Capital Outlay of the Department of Atomic Energy .	1,65,14,000	..	1,65,14,000
145	Capital Outlay on Posts and Telegraphs (not met from Revenue)	3,50,33,000	..	3,50,33,000
146	Other Capital Outlay of the Department of Posts and Telegraphs . . .	3,83,000	..	3,83,000
	GRAND TOTAL . .	2,77,15,65,000	*10,26,36,62,000*	13,03,52,27,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India, read with article 116 thereof, to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund and the grants made in advance by the Lok Sabha in respect of the estimated expenditure of the Central Government, excluding Railways, for a part of the financial year 1964-65.

T. T. KRISHNAMACHARI.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F. 3(6)-B/64, from Shri T. T. Krishnamachari, Minister of Finance to the Secretary, Lok Sabha].

The President having been informed of the subject matter of the proposed Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1964-65, recommends under article 117(1) and (3) of the Constitution of India read with article 116(2) thereof, the introduction of the Appropriation (Vote on Account) Bill, 1964, in the Lok Sabha and also the consideration of the Bill.

LOK SABHA

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1964-65.

(Shri T. T. Krishnamachari,
Minister of Finance.)

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1964

(AS PASSED BY THE HOUSES OF PARLIAMENT)

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1964-65.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Appropriation (Vote on Account) Act, 1964.

2. **Withdrawal of Rs. 13,03,52,27,000 from and out of the Consolidated Fund of India for the financial year 1964-65.**—From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of one thousand three hundred and three crores, fifty-two lakhs and twenty-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1964-65.

3. **Appropriation.**—The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* Sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Community Development and Co-operation .	2,40,000	..	2,40,000
2	Community Development Projets, National Extension Service and Co-operation .	47,54,000	..	47,54,000
3	Ministry of Defence . . .	5,04,000	..	5,04,000
4	Defence Services—Effective—Army	48,57,37,000	84,000	48,58,21,000
5	Defencce Services—Effective—Navy	1,92,88,000	4,000	1,92,92,000
6	Defence Services—Effective—Air Force . . .	10,38,42,000	8,000	10,38,50,000
7	Defence Services—Non-Effective	1,82,50,000	4,000	1,82,54,000
8	Ministry of Education .	7,19,000	..	7,19,000
9	Education	3,04,81,000	..	3,04,81,000
10	Archaeology	10,69,000	..	10,69,000
11	Survey of India	34,67,000	..	34,67,000
12	Botanical Survey	2,36,000	..	2,36,000
13	Zoological Survey . .	2,16,000	..	2,16,000
14	Other Revenue Expenditure of the Ministry of Education .	98,42,000	..	98,42,000
15	Tribal Areas . .	1,32,18,000	..	1,32,18,000
16	External Affairs . . .	1,54,54,000	..	1,54,54,000
17	Dadra and Nagar Haveli Area .	1,56,000	..	1,56,000
18	Other Revenue Expenditure of the Ministry of External Affairs	65,10,000	..	65,10,000
19	Ministry of Finance . .	18,52,000	..	18,52,000
20	Customs	38,64,000	4,000	38,68,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
21	Union Excise Duties . .	92,86,000	*4,000*	92,90,000
22	Taxes on Income including Corporation Tax, etc. . .	65,64,000	*12,000*	65,76,000
23	Stamps	26,54,000	..	26,54,000
24	Audit	1,16,32,000	*1,94,000*	1,18,26,000
25	Currency and Coinage . .	80,99,000	..	80,99,000
26	Mint	22,06,000	..	22,06,000
27	Kolar Gold Mines . .	42,95,000	..	42,95,000
28	Pensions and other Retirement benefits	98,09,000	*2,56,000*	1,00,65,000
29	Territorial and Political Pensions	1,82,000	..	1,82,000
30	Opium	2,36,39,000	..	2,36,39,000
31	Other Revenue Expenditure of the Ministry of Finance .	13,48,33,000	..	13,48,33,000
32	Planning Commission . .	9,22,000	..	9,22,000
33	Grants-in-aid to State and Union territory Governments .	18,24,24,000	*19,21,45,000*	37,45,69,000
34	Miscellaneous Adjustments between the Central and State and Union territory Governments .	2,35,000	..	2,35,000
35	Pre-partition Payments . .	1,24,000	*50,000*	1,74,000
	CHARGED.—*Interest on Debt and Other Obligations and Reduction or avoidance of Debt* .	..	*26,12,13,000*	26,12,13,000
36	Ministry of Food and Agriculture	7,07,000	..	7,07,000
37	Agriculture	36,37,000	..	36,37,000
38	Agricultural Research . .	56,20,000	..	56,20,000
39	Animal Husbandry . .	9,41,000	..	9,41,000
40	Forest	10,41,000	..	10,41,000
41	Other Revenue Expenditure of the Ministry of Food and Agriculture . . .	1,55,32,000	*1,28,000*	1,56,60,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
42	Ministry of Health . .	1,90,000	..	1,90,000
43	Medical and Public Health .	1,03,93,000	..	1,03,93,000
44	Other Revenue Expenditure of the Ministry of Health .	7,93,000	..	7,93,000
45	Ministry of Home Affairs .	37,78,000	..	37,78,000
46	Cabinet	3,82,000	..	3,82,000
47	Zonal Councils . . .	11,000	..	11,000
48	Administration of Justice .	26,000	1,72,000	1,98,000
49	Police	1,21,99,000	..	1,21,99,000
50	Census	11,38,000	..	11,38,000
51	Statistics	19,17,000	..	19,17,000
52	Privy Purses and Allowances of Indian Rulers . . .	28,000	1,27,01,000	1,27,29,000
53	Delhi	1,78,72,000	2,000	1,78,74,000
54	Andaman and Nicobar Islands .	27,19,000	..	27,19,000
55	Laccadive, Minicoy and Amindivi Islands . . .	3,96,000	..	3,96,000
56	Other Revenue Expenditure of the Ministry of Home Affairs.	22,95,000	..	22,95,000
57	Ministry of Industry . .	3,12,000	..	3,12,000
58	Industries	1,54,36,000	42,000	1,54,78,000
59	Salt	4,67,000	..	4,67,000
60	Other Revenue Expenditure of the Ministry of Industry .	2,59,000	..	2,59,000
61	Ministry of Information and Broadcasting . . .	1,30,000	..	1,30,000
62	Broadcasting	49,26,000	..	49,26,000
63	Other Revenue Expenditure of the Ministry of Information and Broadcasting . .	38,38,000	..	38,38,000
64	Ministry of International Trade	2,77,000	..	2,77,000
65	Foreign Trade	77,78,000	1,000	77,79,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
66	Other Revenue Expenditure of the Ministry of International Trade	26,63,000	..	26,63,000
67	Ministry of Irrigation and Power	2,15,000	..	2,15,000
68	Multi-purpose River Schemes .	16,00,000	..	16,00,000
69	Other Revenue Expenditure of the Ministry of Irrigation and Power	75,11,000	..	75,11,000
70	Ministry of Labour and Employment	2,46,000	..	2,46,000
71	Chief Inspector of Mines .	2,90,000	..	2,90,000
72	Labour and Employment .	94,00,000	..	94,00,000
73	Other Revenue Expenditure of the Ministry of Labour and Employment . . .	1,24,000	..	1,24,000
74	Ministry of Law . . .	3,84,000	..	3,84,000
75	Elections	7,16,000	..	7,16,000
76	Other Revenue Expenditure of the Ministry of Law .	18,000	..	18,000
77	Ministry of Petroleum and Chemicals	1,47,000	..	1,47,000
78	Other Revenue Expenditure of the Ministry of Petroleum and Chemicals . . .	7,92,000	..	7,92,000
79	Ministry of Steel, Mines and Heavy Engineering	3,43,000	..	3,43,000
80	Geological Survey . . .	29,53,000	..	29,53,000
81	Other Revenue Expenditure of the Ministry of Steel, Mines and Heavy Engineering .	3,19,40,000	..	3,19,40,000
82	Ministry of Transport . .	8,85,000	..	8,85,000
83	Meteorology	22,34,000	..	22,34,000
84	Central Road Fund . .	36,71,000	..	36,71,000
85	Communications (including National Highways) .	63,86,000	..	63,86,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
86	Mercantile Marine . .	10,79,000	..	10,79,000
87	Lighthouses and Lightships .	9,11,000	..	9,11,000
88	Aviation	58,68,000	..	58,68,000
89	Other Revenue Expenditure of the Ministry of Transport .	25,61,000	..	25,61,000
90	Ministry of Works, Housing and Rehabilitation . . .	3,89,000	..	3,89,000
91	Public Works . . .	2,81,68,000	2,76,000	2,84,44,000
92	Stationery and Printing . .	96,22,000	..	96,22,000
93	Expenditure on Displaced Persons	70,44,000	6,000	70,50,000
94	Other Revenue Expenditure of the Ministry of Works, Housing and Rehabilitation . .	7,55,000	..	7,55,000
95	Department of Atomic Energy	1,61,000	..	1,61,000
96	Atomic Energy Research .	83,11,000	..	83,11,000
97	Department of Parliamentary Affairs	30,000	..	30,000
98	Department of Posts and Telegraphs	82,000	..	82,000
99	Overseas Communications Service	13,23,000	..	13,23,000
100	Posts and Telegraphs (Working Expenses)	10,31,43,000	2,000	10,31,45,000
101	Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds	1,00,90,000	..	1,00,90,000
102	Other Revenue Expenditure of the Department of Posts and Telegraphs	2,21,000	..	2,21,000
103	Department of Supply . .	4,29,000	..	4,29,000
104	puSpliesand Disposals . .	29,48,000	..	29,48,000
105	Other Revenue Expenditure of the Department of Supply .	87,000	..	87,000

1	2	3		
No. of vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
106	Department of Technical Development	26,000	..	26,000
107	Other Revenue Expenditure of the Department of Technical Development . .	3,71,000	..	3,71,000
108	Lok Sabha	8,84,000	6,000	8,90,000
109	Other Revenue Expenditure of Lok Sabha . . .	45,000	..	45,000
110	Rajya Sabha	3,77,000	6,000	3,83,000
	CHARGED.—*Staff, Household and Allowances of the President* .	..	2,45,000	2,45,000
111	Secretariat of the Vice-President	18,000	..	18,000
	CHARGED.—*Union Public Service Commission.*	..	4,27,000	4,27,000
112	Capital Outlay of the Ministry of Community Development and Co-operation . .	1,17,000	..	1,17,000
113	Defence Capital Outlay . .	11,74,58,000	1,25,000	11,75,83,000
114	Capital Outlay of the Ministry of Education . . .	46,67,000	..	46,67,000
115	Capital Outlay of the Ministry of External Affairs . .	13,75,000	..	13,75,000
116	Capital Outlay on the India Security Press . .	1,63,000	..	1,63,000
117	Capital Outlay on Currency and Coinage	96,73,000	..	96,73,000
118	Capital Outlay on Mints . .	2,76,000	..	2,76,000
119	Capital Outlay on Kolar Gold Mines	6,71,000	..	6,71,000
120	Commuted Value of Pensions .	10,32,000	10,000	10,42,000
121	Other Capital Outlay of the Ministry of Finance . .	14,85,62,000	..	14,85,62,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
122	Capital Outlay on Grants to State and Union territory Governments for Development	2,35,17,000	..	2,35,17,000
123	Loans and Advances by the Central Government . .	26,17,73,000	55,48,36,000	81,66,09,000
	CHARGED.—*Repayment of Debt.*	..	9,24,03,75,000	9,24,03,75,000
124	Capital Outlay on Forests .	16,000	..	16,000
125	Purchase of Foodgrains . .	31,34,00,000	8,000	31,34,08,000
126	Other Capital Outlay of the Ministry of Food and Agriculture	6,14,00,000	1,000	6,14,01,000
127	Capital Outlay of the Ministry of Health	90,30,000	..	90,30,000
128	Capital Outlay of the Ministry of Home Affairs . .	6,31,000	..	6,31,000
129	Capital Outlay of the Ministry of Industry . .	26,03,000	..	26,03,000
130	Capital Outlay of the Ministry of Information and Broadcasting	17,56,000	2,000	17,58,000
131	Capital Outlay of the Ministry of International Trade. .	5,00,000	..	5,00,000
132	Capital Outlay on Multi-purpose River Schemes . . .	87,89,000	..	87,89,000
133	Other Capital Outlay of the Ministry of Irrigation and Power	77,89,000	..	77,89,000
134	Capital Outlay of the Ministry of Labour and Employment.	31,000	..	31,000
135	Capital Outlay of the Ministry of Petroleum and Chemicals..	4,29,45,000	..	4,29,45,000
136	Capital Outlay of the Ministry of Steel, Mines and Heavy Engineering . . .	11,48,90,000	..	11,48,90,000
137	Capital Outlay on Roads .	4,97,58,000	..	4,97,58,000
138	Capital Outlay on Ports .	22,20,000	..	22,20,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
139	Capital Outlay on Civil Aviation	41,21,000	2,000	41,23,000
140	Other Capital Outlay of the Ministry of Transport .	57,34,000	..	57,34,000
141	Capital Outlay on Public Works	78,77,000	43,000	79,20,000
142	Delhi Capital Outlay . . .	2,05,76,000	2,66,000	2,08,42,000
143	Other Capital Outlay of the Ministry of Works, Housing and Rehabilitation . .	71,83,000	2,000	71,85,000
144	Capital Outlay of the Department of Atomic Energy	1,65,14,000	..	1,65,14,000
145	Capital Outlay on Posts and Telegraphs (not met from Revenue)	3,50,33,000	..	3,50,33,000
146	Other Capital Outlay of the Department of Posts and Telegraphs	3,83,000	..	3,83,000
	GRAND TOTAL .	2,77,15,65,000	10,26,36,62,000	13,03,52,27,000

A
BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1964-65.

(As passed by the Houses of Parliament)

THE FINANCE BILL, 1964

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 1964-65.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Finance Act, 1964.

(2) Save as otherwise provided in this Act, sections 3 to 55 shall be deemed to have come into force on the 1st day of April, 1964.

2. (1) **Income-tax and super-tax.**—(1) Subject to the provisions of sub-sections (2), (3), (4) and (5), for the assessment year commencing on the 1st day of April, 1964,—

(a) income-tax shall be charged at the rates specified in Part I of the First Schedule and, in the cases to which Paragraphs A, B, C and E of that Part apply, shall be increased by a sur-charge for purposes of the Union calculated in either case in the manner provided therefore.

(b) super-tax shall, for the purposes of section 95 of the Income-Act, 1961 (43 of 1961), (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union calculated in the manner provided therein.

(2) In making any assessment for the assessment year commencing on the 1st day of April, 1964,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries", the income-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1963 (13 of 1963), on his total income the same proportion as the amount of such inclusion bears to his total income;

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (1) of section 192 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under

the operation of the Finance Act, 1963 (13 of 1963), on his total income the same proportion as the amount of such inclusion bears to his total income.

(3) In making any assessment for the assessment year commencing on the 1st day of April, 1964, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956) includes any profits and gains from life insurance business, the super-tax payable by it shall be the aggregate of the tax calculated—

(i) on the amount of profits and gains from life insurance business so included, at the rate applicable to the Life Insurance Corporation of India in accordance with Paragraph E of Part II of the First Schedule; and

(ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(4) In cases to which Chapter XII of the Income-tax Act applies, the tax chargeable shall be determined as provided in that Chapter, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter, as the case may be.

(5) (a) In respect of any assessment for the assessment year commencing on the 1st day of April, 1964—

(i) an assessee being an Indian company or any other company which has made the prescribed arrangements for the declaration and payment of dividends within India or an assessee (other than a company) whose total income includes any profits and gains derived from the export of any goods or merchandise out of India, shall be entitled to a deduction, from the amount of income-tax and super-tax with which he is chargeable, of an amount equal to the income-tax and super-tax calculated respectively at one-tenth of the average rate of income-tax and of the average rate of super-tax on the amount of such profits and gains included in the total income;

(ii) where an assessee of the type referred to in clause (i) engaged in the manufacture of any articles in an industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951) has exported after the 28th day of February, 1963, such article out of India, he shall be entitled, in addition to the deduction of tax referred to in clause (i), to a further deduction, from the amount of tax with which he is chargeable for the assessment year, of an amount equal to the income-tax and super-tax calculated respectively at the average rate of income-tax and the average rate of super-tax on an amount equal to two per cent. of the sale proceeds receivable by him in respect of such export;

(iii) where an assessee of the type referred to in clause (i) engaged in the manufacture of any articles in an industry specified in the said First Schedule has sold after the 28th day of February, 1963, such articles to any other person in India who himself has exported them out of India and evidence is produced before the Income-tax Officer of such articles having been so exported, the assessee shall be entitled to a deduction from the amount of income-tax and super-tax with which he is chargeable for the assessment year of an

amount equal to the income-tax and super-tax and the average rate of super-tax on a sum equal to two per cent. of the sale proceeds receivable by him in respect of such articles from the exporter.

(b) The total of the deductions under this sub-section shall in no case exceed the amount of income-tax and super-tax otherwise payable by the assessee.

(c) Nothing contained in sub-clause (ii) and sub-clause (iii) of clause (a) shall apply,—

(i) in relation to—

(1) fuels,

(2) fertilisers,

(3) photographic raw film and paper,

(4) textiles (including those dyed, printed or otherwise processed) made wholly or in part of jute, including jute twine and rope,

(5) newsprint,

(6) pulp—Wood pulp, mechanical, chemical, including dissolving pulp,

(7) sugar,

(8) vegetable oils and vanaspathi,

(9) cement and gypsum products,

(10) arms and ammunition, and

(11) cigarettes,

respectively specified in items 2, 18, 20, 23(2), 24(2), 24(5), 25, 28, 35, 37 and 38 of the First Schedule to the Industries (Development and Regulation) Act, 1951; (65 of 1951) or

(ii) in relation to textiles specified in items 23(1), 23(3), 23(4) and 23(5) of that Schedule where such textiles have been exported before the 1st day of March, 1964.

(d) The amount of any profits and gains derived from the export of any goods or merchandise out of India in respect of which deduction of income-tax and super-tax is admissible under sub-clause (i) of clause (a) shall be computed in accordance with the rules made by the Central Board of Direct Taxes in this behalf.

(6) In cases in which tax has to be deducted under sub-section (2) of section 192 and sections 193 to 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part III of the First Schedule.

(7) For the purposes of this section, and of the rates of tax imposed thereby, and of section 3—

(i) the expressions "assessment year", "average rate of income-tax", "average rate of super-tax", "partner", "tax" and "total income" have unless the context otherwise requires, the meanings respectively assigned to them under clauses (9), (10), (11), (23), (43) and (45) of section 2 of the Income-tax Act;

(ii) the expression "earned income" has the same meaning as in section 2 of the Finance (No. 2) Act, 1962 (20 of 1962).

3. **Annuity deposit.**—(1) For the assessment year commencing on the 1st day of April, 1964, annuity deposit shall be made by every person to whom the provisions of Chapter XXII-A of the Income-tax Act apply at the rates specified in the Second Schedule.

(2) For the purposes of this section and the Second Schedule, the expressions "adjusted total income", "annuity deposit" and "depositor" have the meanings respectively assigned to them under clauses (1), (5) and (6) of section 280B of the Income-tax Act.

4. **Amendment of section 2.**—In section 2 of the Income-tax Act, in clause (24)—

(i) after sub-clause (v), the following sub-clause shall be inserted, namely:—

"(va) the value of any benefit or perquisite taxable under clause (iv) of section 28;";

(ii) after sub-clause (vii), the following sub-clause shall be inserted, namely:—

"(viii) any annuity due, or commuted value of any annuity paid, under the provisions of section 280D;".

5. **Amendment of section 9.**—In section 9 of the Income-tax, in the *Explanation* to clause (i) of sub-section (1), the proviso to clause (b) shall be omitted.

6. **Amendment of section 10.**—In section 10 of the Income-tax Act,—

(i) in clause (4), after the words "in the case of a non-resident,", the following words shall be inserted, namely:—

"any income from interest on such securities as the Central Government may, by notification in the Official Gazette, specify in this behalf, or";

(ii) in clause (6),—

(a) in sub-clause (vii) (a), for the words "was approved by the Central Government before the commencement of his service", the words "is approved by the Central Government before the commencement of his service or within one year of such commencement" shall be substituted;

(b) after sub-clause (viii), the following sub-clause shall be inserted, namely:—

"(ix) any income chargeable under the head "Salaries" received by or due to him during the thirty-six months commencing from the date of his arrival in India for service rendered as a professor or other teacher in a University or other educational institution, and where any such individual continues to remain in employment in India after the expiry of the thirty-six months aforesaid and the tax on his income chargeable under the head "Salaries" is paid by the University or other educational institution concerned to the Central Government, the tax so paid for a period not exceeding twenty-four months following the expiry of the thirty-six months aforesaid, provided in either case the following conditions are fulfilled, namely:—

(i) such individual was not resident in any of the four financial years immediately preceding the financial year in which he arrived in India; and

(ii) his contract of service is approved by the Central Government—

(a) on or before the 1st day of October, 1964, in the case of a professor or other teacher whose service commenced before the 1st day of April, 1964;

(b) before the commencement of his service or within one year of such commencement, in any other case;";

(iii) in sub-clause (iv)(c) of clause (15), for the words beginning with "in any case" and ending with "its repayment", the following shall be substituted, namely:—

"to the extent to which such interest does not exceed the amount of interest calculated at the rate approved by the Central Government in this behalf, having regard to the terms of the loan or debt and its repayment";

(iv) after clause (26), the following clause shall be inserted, namely:—

"(27) any income derived from a business of livestock breeding, or poultry or dairy farming, which is assessable for the assessment year commencing on the 1st day of April, 1965, 1966 or 1967.".

7. **Amendment of section 28.**—In section 28 of the Income-tax Act after clause (iii) and before Explanation 1, the following clause shall be inserted, namely:—

"(iv) the value of any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession.".

8. **Amendment of section 33.**—In section 33 of the Income-tax Act,—

(i) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) (a) An assessee who, after the 31st day of March, 1964, acquires any ship which before the date of acquisition by him was used by any other person shall, subject to the provisions of section 34, also be allowed as a deduction a sum by way of development rebate at such rate or rates as may be prescribed, provided that the following conditions are fulfilled, namely:—

(i) after sub-section (1), the following sub-section shall be inserted, owned at any time by any person resident in India;

(ii) such ship is wholly used for the purposes of the business carried on by the assessee; and

(iii) such other conditions as may be prescribed.

(a) An assessee who instals any machinery or plant (other than office appliances or road transport vehicles) which before such installation by the assessee was used outside India by any other person shall, subject to the provisions of section 34, also be allowed as a deduction a sum by way of development rebate at such rate or rates as may be

prescribed, provided that the following conditions are fulfilled, namely:—

(i) such machinery or plant was not used in India at any time previous to the date of such installation by the assessee;

(ii) it is imported in India by the assessee from any country outside India;

(iii) no deduction on account of depreciation or development rebate in respect of such machinery or plant has been allowed or is allowable under the provisions of the Indian Income-tax Act, 1922 (11 of 1922) or this Act in computing the total income of any person for any period prior to the date of the installation of the machinery or plant by the assessee;

(iv) such machinery or plant is wholly used for the purposes of the business carried on by the assessee; and

(v) such other conditions as may be prescribed.

(c) The development rebate under this sub-section shall be allowed as a deduction in respect of the previous year in which the ship was acquired or the machinery or plant was installed, or, if the ship, machinery or plant is first put to use in the immediately succeeding previous year, then, in respect of that previous year.";

(ii) for the words, brackets and figure "under sub-section (1)" wherever they occur, the words, brackets, figures and letter "under sub-section (1) or sub-section (1A)" shall be substituted;

(iii) in sub-section (2), for the words "at the rate applicable thereto under that sub-section", the words, brackets, figures and letter "at the rate applicable thereto under sub-section (1) or sub-section (1A), as the case may be," shall be substituted;

(iv) in clause (b) of sub-section (3), for the words and figures "section 33 and section 34", the words and figures "this section and section 34" shall be substituted;

(v) after sub-section (4), the following sub-section shall be inserted, namely:—

"(5) The Central Government, if it considers necessary or expedient so to do, may, by notification in the Official Gazette, direct that the deduction allowable under this section shall not be allowed in respect of a ship acquired or machinery or plant installed after such date, not being earlier than three years from the date of such notification, as may be specified therein.".

9. **Amendment of section 37.**—In section 37 of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) Notwithstanding anything contained in sub-section (1), any expenditure incurred by an assessee after the 31st day of March, 1964 on advertisement or on maintenance of any residential accommodation including any accommodation in the nature of a guest house or in connection with travelling by an employee or any other person (including hotel expenses or allowances paid in connection with such travelling)

shall be allowed only to the extent, and subject to such conditions, if any, as may be prescribed.".

10. **Amendment of section 40.**—In section 40 of the Income-tax Act, in clause (c),—

(1) for sub-clause (iii), the following sub-clause shall be substituted, namely:—

"(iii) any expenditure which results directly or indirectly in the provision of any benefit or amenity or perquisite, whether convertible into money or not, to an employee (including any sum paid by the company in respect of any obligation which but for such payment would have been payable by such employee), to the extent such expenditure exceeds one-fifth of the amount of salary payable to the employee for any period of his employment after the 29th day of February, 1964;

Provided that in computing the aforesaid expenditure any payment by way of gratuity or any sum referred to in clause (vii) of sub-section (1) of section 17 or in clause (v) of sub-section (2) of that section or the amount of any compensation referred to in clause (i) or any payment referred to in clause (ii) of sub-section (3) of that section or any payment referred to in clause (iv) or clause (v) of sub-section (1) of section 36 shall not be taken into account.";

(2) the existing *Explanation* shall be re-numbered as *Explanation* 1 and after *Explanation* 1 as so renumbered, the following *Explanation* shall be inserted, namely:—

Explanation 2.—In sub-clause (iii), the word "salary" shall have **the meaning assigned to it in clause (h) of rule 2 of Part A of the Fourth Schedule.'.**

11. **Insertion of new section 44A.**—In Chapter IV-D of the Income-tax Act, after section 44, the following section shall be inserted, namely:—

Special provision for deduction in the case of trade, professional or similar association.—"44A. (1) Notwithstanding anything to the contrary contained in this Act, where the amount received during a previous year by any trade, professional or similar association from its members, whether by way of subscription or otherwise (not being remuneration received for rendering any specific services to such members) falls short of the expenditure incurred by such association during that previous year (not being expenditure deductible in computing the income under any other provision of this Act and not being in the nature of capital expenditure) solely for the purposes of protection or advancement of the common interests of its members, the amount so fallen short (hereinafter referred to as deficiency) shall, subject to the provisions of this section, be allowed as a deduction in computing the income of the association assessable for the relevnt assessment year under the head 'Profits and gains of business or profession' and if there is no income assessable under that head or the deficiency allowable exceeds such income, the whole or the balance of the deficiency, as the case may be, shall be allowed as a deduction in computing the income of the association assessable for the relevant assessment year under any other head.

(2) In computing the income of the association for the relevant assessment year under sub-section (1), effect shall first be given to any

other provision of this Act under which any allowance or loss in respect of any earlier assessment year is carried forward and set off against the income for the relevant assessment year.

(3) The amount of deficiency to be allowed as a deduction under this section shall in no case exceed one-half of the total income of the association as computed before making any allowance under this section.

(4) This section applies only to that trade, professional or similar association the income of which or any part thereof is not distributed to its members except as grants to any association or institution affiliated to it".

12. **Amendment of section 45.**—In the Income-tax Act, section 45 shall be re-numbered as sub-section (1) thereof and after sub-section (1) as so re-numbered, the following sub-sections shall be inserted, namely:—

"(2) Where any shares are distributed by a company to its equity shareholders by way of bonus, every shareholder receiving such shares shall be chargeable to income-tax under the head 'Capital gains' in respect of such shares as if such shares were transferred by him at the fair market value on the date next following the expiry of the period of thirty days from the date of distribution:

Provided that income-tax shall not be chargeable under this sub-section if such shares are includible in the stock-in-trade of the assessee or if such shares are transferred by him before the expiry of the period aforesaid.

(3) Nothing contained in sub-section (2) shall be deemed to preclude the inclusion of any profits and gains arising from the transfer of any shares referred to in that sub-section in the total income of the assessee for any previous year in which such shares are actually transferred by him".

13. **Amendment of section 52.**—In the Income-tax Act, section 52 shall be re-numbered as sub section (1) thereof and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

"(2) Without prejudice to the provisions of sub-section (1), if in the opinion of the Income-tax Officer the fair market value of a capital asset transferred by an assessee as on the date of the transfer, exceeds the full value of the consideration declared by the assessee in respect of the transfer of such capital asset by an amount of not less than fifteen per cent. of the value so declared, the full value of the consideration for such capital asset shall, with the previous approval of the Inspecting Assistant Commissioner, be taken to be its fair market value on the date of its transfer".

14. **Amendment of section 55.**—In section 55 of the Income-tax Act, in sub-section (2), after clause (iii), the following clauses shall be inserted, namely:—

"(iv) where the capital asset, being a share of a company, became the property of the assessee on any distribution by the company to its equity shareholders of shares by way of bonus and such asset is actually transferred after the expiry of thirty days referred to in sub-section (2) of section 45,

means the fair market value of the asset on the date next following the expiry of the said thirty days;

(v) where the capital asset, being a share or a stock of a company, became the property of the assessee on—

(a) the consolidation and division of all or any of the share capital of the company into shares of larger amount than its existing shares;

(b) the conversion of any shares of the company into stock;

(c) the reconversion of any stock of the company into shares;

(d) the sub-division of any of the shares of the company into shares of smaller amount; or

(e) the conversion of one kind of shares of the company into another kind,

means the cost of acquisition of the asset calculated with reference to the cost of acquisition of the shares or stock from which such asset is derived".

15. **Amendment of section 66.**—In section 66 of the Income-tax Act, for the words and figures "sections 87 and 88", the words, figures and letter "sections 87, 87A and 88" shall be substituted.

16. **Insertion of new section 69A.**—After section 69 of the Income-tax Act, the following section shall be inserted, namely:—

Unexplained money, etc.—"69A. Where in any financial year the assessee is found to be the owner of any money, bullion, jewellery or other valuable article and such money, bullion, jewellery or valuable article is not recorded in the books of account, if any, maintained by him for any source of income, and the assessee offers no explanation about the nature and source of acquisition of the money, bullion, jewellery or other valuable article, or the explanation offered by him is not, in the opinion of the Income-tax Officer, satisfactory, the money and the value of the bullion, jewellery or other valuable article may be deemed to be the income of the assessee for such financial year".

17. **Amendment of section 86.**—In section 86 of the Income-tax Act, in clause (iii), for the words "income-tax has already been paid by the firm", the words "income-tax is payable by the firm" shall be substituted.

18. **Amendment of section 87.**—In section 87 of the Income-tax Act,—

(i) in sub section (3),—

(a) to clause (i), the following proviso shall be added, namely:—

"Provided that such individual has effected an insurance referred to in sub-clause (i) of clause (a) of sub-section (1) prior to the first day of March, 1964 and has paid any sum in the previous year to keep in force such insurance;";

(b) in clause (ii), after the words "any other individual", the brackets, words and figure "(including an author, playwright, artist, musician or actor to whom the provisions of clause (i) do not apply," shall be inserted;

(ii) after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) The amount of income-tax deductible under this section, together with the amount of super-tax deductible under section 99A, shall not in any case exceed half the aggregate of the sums in respect of which the deduction is allowed under this section.".

19. **Insertion of new section 87A.**—After section 87 of the Income-tax Act, the following section shall be inserted, namely:—

Rebate on educational expenses in certain cases.—"87A. Where an individual, being a resident, who is not a citizen of India has expended any sum in the previous year out of his income chargeable to tax for the full-time education of his child wholly or mainly dependent on him and who is not more than twenty-one years of age at any University, college, school or other educational institution situate in a country outside India he shall be entitled to a deduction from the amount of income-tax on his total income with which he is chargeable for any assessment year, of an amount equal to the income tax calculated at the average rate of income-tax on a sum—

(i) which, in the case of an individual who has one such child, shall not exceed two thousand rupees or twenty-five per cent. of his total income, whichever is less; and

(ii) which, in the case of an individual who has more than one such child, shall not exceed four thousand rupees or twenty-five per cent. of his total income, whichever is less.".

20. **Amedment of section 91.**—In section 91 of the Income-tax Act, in clause (ii) of the Explanation, for the words "any relief due under this section", the words "any relief due under this Chapter" shall be substituted.

21. **Amendment of section 99.**—In section 99 of the Income-tax Act, in sub-section (1),—

(i) in clause (i), for the words "super-tax has already been paid by the firm", the words "super-tax is payable by the firm" shall be substituted;

(ii) for sub-clause (iv), the following sub-clause shall be substituted, namely:—

"(iv) if the assessee is a company, any dividend received by it from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends (including dividends on preference shares) within India;".

22. **Insertion of new sections 99A and 99B.**—In Chapter XI-C of the Income-tax Act, before section 100, the following sections shall be inserted, namely:—

Rebate on life insurance premia, annuities and contributions to provident funds, etc.—"99A. Where under the provisions of section 87, an assessee is entitled to a deduction of income-tax in respect of any sum referred to in sub-section (1) of that section, he shall also be entitled, subject to the provisions of sub-section (4) of that section, to a deduction, from the amount of super-tax with which he is chargeable on his total income, of an amount equal to the super-tax calculated at the average rate of super-tax on such sum.

Rebate of super-tax in certain cases.—99B. Where under the provisions of section 87A, an individual, being a resident, who is not a citizen of India is entitled to a deduction of income-tax in respect of any sum referred to in that section, he shall also be entitled to a deduction, from the amount of super-tax with which he is chargeable on his total income, of an amount equal to the super-tax calculated at the average rate of super-tax on such sum".

23. **Amendment of section 104.**—In section 104 cf the Income-tax Act,—

(i) in sub-section (1),—

(a) for the words, brackets and figures "sub-section (2) and of sections 105, 106 and 107", words, figures and letter "this section and of sections 105, 106, 107 and 107A" shall be substituted;

(b) after the words "dividends by any company", the brackets and words "not being an Indian company whose business consists wholly in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power)"shall be substituted;

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) If the Central Government is of opinion that it is necessary or expedient in the public interest so to do, it may, by notification in the Official Gazette and subject to such conditions as may be specified therein, exempt any class of companies to which the provisions of this section apply from the operation of this section.".

24. **Amendment of section 106.**—To section 106 of the Income-tax Act, the following proviso shall be added, namely:—

"Provided that the period of limitation prescribed by this section shall not apply in a case where the company has made an application to the Board under section 107A.".

25. **Amendment of section 107.**—In section 107 of the Income-tax Act, for the words "No order shall be made", the words, brackets, figures and letter "Except in cases where a decision is given by the Board under sub-section (4) of section 107A, no order shall be made" shall be substituted.

26. **Insertion of new section 107-A.**—After section 107 of the Income-tax Act, the following section shall be inserted, namely:—

Reduction of minimum distribution in certain cases.—"107A. (1) If any company to which the provisions of section 104 apply (not being an investment company) considers that having regard to the current requirements for the development of its business, it would not be possible or advisable for it to declare or pay a dividend of an amount larger than that already declared or paid or proposed to be declared or paid by it, it may make an application to the Board for reduction of the amount of the minimum distribution required under this Chapter.

(2) Every application under sub-section (1) shall be in the prescribed form and shall be verified in the prescribed manner and shall be made within the period of twelve months referred to in sub-section (1) of section 104 or, where the Income-tax Officer has served on the company a notice under sub-section (1) of section 105 of his intention to make an order under section 104, within thirty days of the receipt of such notice.

(3) Every application under sub-section (1) shall be accompanied by a fee of one hundred rupees.

(4) If the Board is satisfied that a distribution equal to the statutory percentage of the distributable income of the company concerned would be unreasonable, it may reduce the amount of minimum distribution required of the company under this Chapter by such amount, not exceeding twenty per cent. of the statutory percentage of its distributable income, as it may consider fit and further determine the period within which such distribution shall be made.

(5) The Board shall not reject an application made under sub-section (1) without giving the company concerned an opportunity of being heard and its decision shall be final as respects matters concluded by it.

(6) Where an application is made by the company after receipt of a notice from the Income-tax Officer under sub-section (1) of section 105 and a further distribution is made in accordance with the decision thereon of the Board, such further distribution shall not be taken into account in deciding whether the provisions of section 104 apply in respect of the previous year in which the further distribution is made.

(7) Where an application is made by a company under this section, the Income-tax Officer shall not make any order under section 104 until the decision is given by the Board on that application:

Provided that where a company is required to make a distribution or further distribution of its profits and gains in accordance with the decision of the Board and fails to make such distribution or further distribution within the period determined thereunder, the Income-tax Officer shall make an order under section 104 as if no reduction of the amount of minimum distribution had been made by the Board under this section.

(8) If the Central Government is of opinion that it is necessary or expedient in the public interest so to do, it may, by notification in the Official Gazette, declare that the provisions of this section shall not apply to any class of companies or in regard to the whole or any part of the profits and gains of any class of companies.

(9) Notwithstanding anything contained in section 246, no appeal shall lie to the Appellate Assistant Commissioner against an order of the Income-tax Officer under section 104 in a case where a decision has been given by the Board.

(10) The Board may, by notification in the Official Gazette, direct that, subject to such conditions, if any, as may be specified in the notification, the powers exercisable by it under this section shall also be exercisable by any Commissioner in respect of such companies or classes of companies as may be specified therein and thereupon in respect of such companies or classes of companies the provisions of this section and sections 106 and 107 shall have effect as if references in the said sections to the Board were references to such Commissioner.".

27. **Amendment of section 109.**—In section 109 of the Income tax Act,—

(a) for the words and figures "For the purposes of sections 104 and 105", the words, figures and letter "For the purposes of sections 104, 105 and 107A" shall be substituted;

(b) in clause (iii)—

(i) sub-clause (2) shall be omitted;

(ii) in sub-clause (3), for the words "in any of the activities specified in the preceding clause", the words "in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power" shall be substituted.

28. **Amendment of section 114.**—In section 114 of the Income-tax Act, in clause (b), for sub-clause (ii), the following sub-clause shall be substituted, namely:—

"(ii) the amount of income-tax and super-tax calculated on the amount of the net capital gains, if any, relating to capital assets other than short-term capital assets—

(1) in the case of capital gains relating to buildings or lands, or any rights in buildings or lands, at three-fourths of the average rate of income-tax and three-fourths of the average rate of super-tax respectively, which would have been applicable to the total income, if the net capital gains, if any, relating to short-term capital assets and the amount of compensation or other payment aforesaid, if any, had not formed part of it, and

(2) in any other case, at one-half of the average rate of income-tax and one-half of the average rate of super tax respectively [average rate of income-tax and average rate of super-tax being computed for this purpose in the same manner as for the purpose of sub-clause (ii) (1) of this clause]:

Provided that—

(i) where the total income does not exceed the sum of twenty thousand rupees, the assessee shall be entitled to a deduction from the amount of income-tax payable under sub-clause (ii) of this clause of a sum calculated at three fourths or, as the case may be, one-half of the average rate of income-tax referred to in the said sub-clause in respect of an amount not exceeding five thousand rupees of the capital gains relating to capital assets other than short-term capital assets; and

(ii) where the total income exceeds the sum of twenty thousand rupees, the income-tax payable under sub-clause (ii) of this clause shall not exceed the aggregate of—

(1) the amount of income-tax which would have been payable in respect of capital gains relating to capital assets other than short-term capital assets if the assessee had been entitled to the deduction referred to in clause (i) of this proviso in the same manner as an assessee whose total income does not exceed a sum of twenty thousand rupees; and

(2) one-half of the amount by which the total income exceeds the sum of twenty thousand rupees;

plus".

29. **Amendment of section 115.**—In section 115 of the Income tax Act, for clause (b), the following clause shall be substituted, namely:—

"(b) the amount of super-tax equal to the aggregate of—

(1) the amount of super-tax calculated on the amount of capital gains relating to capital assets other than short-term capital assets included in its total income—

(i) at the rate of fifteen per cent. on so much of the amount of such capital gains as relate to buildings or lands or any rights in buildings or lands; and

(ii) at the rate of five per cent. on the balance of such capital gains, if any; and

(2) the amount of super-tax with which it would have been chargeable had its total income been reduced by the amount of capital gains referred to in sub-clause (1)".

30. **Substitution of new section for section 132.**—For section 132 of the Income-tax Act, the following section shall be substituted, namely:—

Powers of search and seizure.—"132. (1) Where the Commissioner, in consequence of information in his possession, has reason to believe that—

(a) any person to whom a summons under sub-section (1) of section 37 of the Indian Income-tax Act, 1922 (11 of 1922) or under sub-section (1) of section 131 of this Act, or a notice under sub-section (4) of section 22 of the Indian Income-tax Act, 1922 or under sub-section (1) of section 142 of this Act was issued to produce, or cause to be produced, any books of account or other documents has omitted or failed or produce, or cause to be produced, such books of account or other documents as required by such summons or notice, or

(b) any person to whom a summons or notice as aforesaid has been or might be issued will not, or would not, produce or cause to be produced any books of account or other documents which will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922 (11 of 1922) or under this Act, or

(c) any person is in possession of any articles or things including money wholly disproportionate to his known sources of income, particulars of which will be useful for, or relevant to, any proceeding under the Indian Income tax Act, 1922 (11 of 1922) or this Act,

he may authorise any Inspecting Assistant Commissioner or any Income-tax Officer to enter and search any building or place where he has reason to suspect that such books of account, other documents, articles or things including money are kept and if as a result of the search such books of account, other documents, articles or things including money are found, the Inspecting Assistant Commissioner or the Income-tax Officer, as the case may be, may—

(i) seize any such books of account or other documents;

(ii) place marks of identification on any such books of account or other documents or make or cause to be made extracts or copies therefrom;

(iii) make a note or an inventory of any articles or things including money found which, in his opinion, will be useful for, or relevant to, any proceeding under this Act.

(2) The books of account or other documents seized under sub-section (1) shall not be retained by the Inspecting Assistant Commissioner or the Income-tax Officer for a period exceeding one hundred and eighty days from the date of the seizure unless the reasons for retaining the same are recorded by him in writing and the approval of the Commissioner for such retention is obtained:

Provided that the Commissioner shall not authorise the retention of the books of account and other documents for a period exceeding thirty days after all the proceedings under this Act in respect of the years for which the books of account or other documents are relevant are completed.

(3) The person from whose custody any books of account or other documents are seized under sub-section (1) may make copies thereof, or take extracts therefrom, in the presence of the Income-tax Officer or any other person authorised by him, at such place and time as the Income-tax Officer may appoint in this behalf.

(4) If a person legally entitled to the books of account or other documents seized under sub-section (1) objects for any reason to the approval given by the Commissioner under sub-section (2), he may make an application to the Board stating therein the reasons for such objection and requesting for the return of the books of account or documents.

(5) On receipt of the application under sub-section (4) the Board may, after giving the applicant an opportunity of being heard, pass such orders as it thinks fit.

(6) The provisions of the Code of Criminal Procedure, 1898 (5 of 1898) relating to searches shall apply, so far as may be, to searches under sub-section (1) of this section.

(7) The Central Board of Direct Taxes may make rules in relation to searches under this section.".

31. **Insertion of new section 133A.**—After section 133 of the Income-tax Act, the following section shall be inserted, namely:—

Power of survey.—"133A. (1) Notwithstanding anything in any other provision, an Income-tax Officer or any Inspector of Income-tax authorised by him in this behalf may enter—

(a) any place within the limits of the area assigned to him, or

(b) any place occupied by any person in respect of whom the Income-tax Officer exercises jurisdiction;

at which a business or profession is carried on, whether such place be the principal place or not of such business or profession, and require any proprietor, employee or any other person who may at that time and place be attending in any manner to or helping in the carrying on of such business or profession to afford him the necessary facility to inspect such books of account or other documents as he may require and which may be available at such place, and on the inspection of such accounts or documents

he may, if he so deems necessary, place marks of identification thereon or cause to be made extracts therefrom:

Provided that the Income-tax Officer or such Inspector of Income-tax may enter any place referred to in this section only during such hours as the place is open for the conduct of the business or the profession:

Provided further that while acting under this section the Income-tax Officer or such Inspector of Income-tax shall not remove or cause to be removed from the place which he has entered any books of account or other documents.

(2) If a person who under sub-section (1) is required to afford facility to the Income-tax Officer or such Inspector of Income-tax to inspect books of account or other documents either refuses or evades to do so, the Income-tax Officer shall have all the powers under sub-sections (1) and (2) of section 131 for enforcing compliance of the requirement made.".

32. **Omission of section 137.**—Section 137 of the Incometax shall be omitted.

33. **Substitution of new section for section 138.**—For section 138 of the Income-tax Act, the following section shall be substituted, namely:—

Disclosure of information respecting assessees.—"138. Where a person makes an application to the Commissioner in the prescribed form and pays the prescribed fee for any information relating to any assessee in respect of any assessment made under this Act or the Indian Income-tax Act, 1922 (11 of 1922), the Commissioner may, if he is satisfied that there are no circumstances justifying its refusal, furnish or cause to be furnished the information asked for.".

34. **Insertion of new section 140A.**—After section 140 of the Income-tax Act, the following section shall be inserted, namely:—

Self-assessment.—"140A. (1) Where a return has been furnished under section 139 and the tax payable on the basis of that return as reduced by any tax already paid under any provision of this Act exceeds five hundred rupees, the assessee shall pay the tax so payable within thirty days of furnishing the return.

(2) After a provisional assessment under section 141 or a regular assessment under section 143 or section 144 has been made, any amount paid under sub-section (1) shall be deemed to have been paid towards the provisional assessment or regular assessment, as the case may be.

(3) If any assessee fails to pay the tax or any part thereof in accordance with the provisions of sub-section (1), he shall, unless a provisional assessment under section 141 or a regular assessment under section 143 or section 144 has been made before the expiry of thirty days referred to in that sub-section, be liable, by way of penalty, to pay such amount as the Income-tax Officer may direct, so however, that the amount of penalty does not exceed fifty per cent. of the amount of such tax or part, as the case may be.

Provided that before levying any such penalty, the assessee shall be given a reasonable opportunity of being heard".

35. **Omission of section 141A.**—Section 141A of the Income-tax Act shall be omitted.

36. **Amendment of section 156.**—In section 156 of the Income-tax Act, after the words "any other sum", the brackets, words, figures and letter "(including annuity deposit referred to in Chapter XXLL-A)" shall be inserted.

37. **Amendment of section 209.**—In section 209 of the Income-tax Act, in sub-clause (iv) of clause (a), for the words, brackets and letters "clauses (b) and (c)", the words, brackets and letters "clauses (b), (c) and (d)," shall be, and shall be deemed to have been, substituted, with effect from the first day of April, 1963.

38. **Amendment of section 246.**—In section 246 of the Income-tax Act, in clause (o),—

(i) for sub-clause (i), the following sub-clauses shall be substituted, namely:—

"(i) section 140A, or

(ia) section 221, or";

(ii) for sub-clause (v), the following sub-clauses shall be substituted, namely:—

"(v) section 273, or

(vi) section 280R.".

39. **Amendment of section 254.**—In section 254 of the Income-tax Act, after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) (a) Where the appellant objects to the fair market value of a capital asset adopted under section 52, the Appellate Tribunal may, and if the appellant so requires, shall, refer the question of the disputed value to the arbitration of two valuers, one of whom shall be nominated by the appellant and the other by the respondent and the Appellant Tribunal shall, so far as that question is concerned, pass its orders under sub-section (1) conformably to the decision of the valuers:

Provided that where the appellant or the respondent does not nominate any valuer within the time specified by the Appellate Tribunal or within such further time as the Appellate Tribunal may allow, the Appellate Tribunal may nominate a valuer on his behalf:

Provided further that if there is a difference of opinion between the two valuers, the matter shall be referred to a third valuer nominated by agreement, or failing agreement, by the Appellate Tribunal and the decision of that valuer on the question of valuation shall be final.

(b) The valuers to whom a reference under this sub-section has been made by the Appellate Tribunal shall communicate their decision to the Appellate Tribunal within six months of the date of such reference or within such further time as that Tribunal may allow:

Provided that if the decision of the valuers is not communicated within the period aforesaid, the Appellate Tribunal may

order that the reference made under this sub-section shall be deemed to be withdrawn and proceed to dispose of the case on the evidence before it, including the report of either of the valuers if any such report has been submitted.

(c) The extent to which the costs of arbitration proceedings (including a case where a reference is deemed to be withdrawn) shall be borne by the appellant or the respondent shall be at the discretion of the Appellate Tribunal.

(d) The valuers may, in disposing of any matter referred to them for arbitration under this sub-section, hold or cause to be held such enquiry as they think fit and after giving the appellant and the respondent an opportunity of being heard, make such decision as they think fit and shall communicate such decision in writing to the Appellate Tribunal.

(e) The valuers appointed under this sub-section, while acting as such, shall have all powers of a Civil Court while trying a suit under the Code of Civil Procedure, 1908 (5 of 1908) in respect of the following matters, namely:—

(i) summoning and enforcing the attendance of any person and examining him on oath;

(ii) requiring the discovery and production of documents;

(iii) receiving evidence on affidavit; and

(iv) issuing commission for examination of witnesses or documents.

(f) Nothing in the Arbitration Act, 1940 (10 of 1940) shall apply to arbitrations under this sub-section.".

40. **Amendment of section 271.**—In section 271 of the Income-tax Act, in sub-section 1),—

(i) in clause (c), the words "deliberately" shall be omitted;

(ii) the following *Explanation* shall be inserted at the end, namely:—

"*Explanation.*—Where the total income returned by any person is less than ninety per cent. of the total income (hereinafter in this *Explanation* referred to as the correct income) as assessed under section 143 or section 144 or section 147 (reduced by the expenditure incurred *bona fied* by him for the purpose of making or earning any income included in the total income but which has been disallowed as a deduction), such person shall, unless he proves that the failure to return the correct income did not arise from any fraud or any gross or wilful neglect on his part, be deemed to have concealed the particulars of his income or furnished inaccurate particulars of such income for the purposes of clause (c) of this sub-section.".

41. **Amendment of section 277.**—In section 277 of the Income-tax Act, for the words "punishable with simple imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both", the following shall be substituted, namely:—

"punishable with rigorous imprisonment for a term which may extend to two years:

Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the court, such imprisonment shall not be for less than six months.".

42. **Amendment of section 278.**—In section 278 of the Income-tax Act, for the words "punishable with simple imprisonment which may extend to six months or with fine which may extend to one thousand rupees or with both", the following shall be substituted, namely:—

"punishable with rigorous imprisonment for a term which may extend to two years:

Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the court, such imprisonment shall not be for less than six months."

43. **Omission of section 280.**—Section 280 of the Income-tax Act shall be omitted.

44. **Insertion of new Chapter XXII-A.**—In the Income-tax Act, after section 280, the following Chapter and sections shall be inserted, namely:—

"CHAPTER XXII-A

ANNUITY DEPOSITS

280A. **Persons to whom this Chapter applies.**—The provisions of this Chapter shall apply to every person, being—

(i) an individual, who is a citizen of India,

(ii) a Hindu undivided family,

(iii) an unregistered firm,

(iv) an association of persons or a body of individuals, whether incorporated or not (other than a company or a co-operative society), and

(v) an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 (other than a corporation established by a Central, State or Provincial Act):

Provided that such person is a resident.

280B. In this Chapter, unless the context otherwise requires,—

1. **Definitions.**—"adjusted total income"—

(a) in relation to the assessment year commencing on the 1st day of April, 1964, means the amount of total income computed without making any allowance under section 280O and reduced by the aggregate of the following amounts, if any, included therein, namely:—

(i) any income chargeable under the head "Salaries";

(ii) if the depositor is a partner of an unregistered firm which is liable to make an annuity deposit for the relevant assessment year, the amount of his share in the profits and gains of the firm computed in the manner laid down in section 67; and

(iii) if the depositor is a member of an association of persons or a body of individuals (other than a Hindu undivided family or a firm) which is liable to make an annuity deposit for relevant assessment year, the amount which he is entitled to receive from the association or body;

(b) in relation to the assessment year commencing on the 1st day of April, 1965, or any subsequent assessment year, means the amount of total income computed without making any allowance under section 280O and reduced by the aggregate of the following amounts, if any, included therein, namely:—

(i) any sum which under the provisions of sub-clause (vii) of clause (1) of section 17 is included in salary;

(ii) any income chargeable under the head "Salaries" in respect of which the assessee can make an application for the grant of relief under sub-section (1) of section 89; and

(iii) the amount referred to in sub-clause (a) (ii) or sub-clause (iii) of this clause;

(2) "advance deposit" means the annuity deposit required to be made in advance in accordance with the provisions of sections 280E to 280I;

(3) "advance tax" shall have the same meaning as in section 207;

(4) "annuity" means any annual instalment of principal and interest thereon payable by the Central Government under the provisions of section 280D;

(5) "annuity deposit" means a deposit of money required to be made under the provisions of this Chapter;

(6) "depositor" means a person to whom the provisions of this Chapter apply.

280C. **Requirement as to annuity deposit.**—(1) Where any Central Act enacts that any person to whom the provisions of this Chapter apply shall make for any assessment year an annuity deposit with the Central Government at any rate or rates, such person shall make such deposit at that rate or those rates in accordance with, and subject to the provisions of, this Chapter in respect of the adjusted total income of the previous year or previous years, as the case may be.

(2) In respect of the adjusted total income in relation to which an annuity deposit is to be made under sub-section (1), such deposit shall be made in advance in accordance with the provisions of sections 280E to 280I.

280D. **Repayment.**—Subject to the provisions of this Chapter and any scheme made thereunder, the Central Government shall repay to the depositor the annuity deposit made in any year in ten annual equated instalments of principal and interest at such rate as may be notified by the Central Government in the Official Gazette:

Provided that nothing in this section shall prevent the payment of any annuity at such commuted value thereof as may be provided in a scheme framed under section 280W, in any case in which the authority empowered to make such payment is satisfied that genuine hardship will be caused unless such payment is made.

280E. **Computation of advance deposit.**—The amount of advance deposit to be made by a depositor in the financial year shall be computed as follows:—

(a) (i) his total income for the latest previous year in respect of which he has been assessed by way of regular assessment shall first be ascertained;

(ii) the amount of income of the nature referred to in sub-clause (b) (i) or sub-clause (b) (ii) or sub-clause (b) (iii) of clause (1) of section 280B, if any, included in such income shall be deducted therefrom, and on the balance annuity deposit shall be calculated at the rate in force in the financial year;

(iii) the amount of annuity deposit calculated in accordance with sub-clause (ii) shall, subject to the provisions of clauses (b) and (c), be the advance deposit to be made;

(b) in cases where an estimate of the adjusted total income is sent by the depositor under sub-section (1) or sub-section (2) or sub--section (3) of section 280H, the total income on the basis of which such adjusted total income is so estimated shall, for the purposes of calculation of advance deposit under this section, be substituted for the total income referred to in clause (a);

(c) in cases where the Income-tax Officer makes an amended order referred to in sub-section (3) of section 280F on the basis of a provisional assessment, the total income on the basis of which the relevant provisional assessment had been made shall be substituted for the total income referred to in clause (a).

280F. Order by Income-tax Officer.—(1) Where a depositor has been previously assessed by way of regular assessment under this Act or under the Indian Income-tax Act, 1922, (11 of 1922) the Income-tax Officer may, on or after the 1st day of April in the financial year, by order in writing, require him to make an advance deposit computed in accordance with the provisions of section 280E.

(2) The notice of demand issued under section 156 in pursuance of such order shall specify the instalments in which the advance deposit is to be made under section 280G.

(3) If, after the making of an order by the Income-tax Officer under this section and before the 15th day of February of the financial year, a regular assessment or a provisional assessment under section 141 of the depositor (or of the registered firm of which he is a partner) is made in respect of a previous year later than that referred to in the order of the Income-tax Officer, the Income-tax Officer may make an amended order requiring such depositor to make in one instalment on the specified date, or in equal instalments on the specified dates, if more than one, falling after the date of the amended order, the advance deposit computed on the basis of the adjusted total income calculated with reference to the total income determined under the regular assessment or the provisional assessment aforesaid as reduced by the deposit, if any, made in accordance with the original order.

280G. Instalments of advance deposit.—Subject to the provisions of section 280H, the provisions of section 211 shall, so far as may be, apply in relation to advance deposit to be made by a depositor as they apply in relation to advance tax payable by an assessee with the modification that reference therein to section 210 shall be construed as a reference to section 280F.

280H. Estimate by depositor.—(1) If a depositor, who is required to make advance deposit by an order under section 280F, estimates at any time before the last instalment is due that his adjusted total income for

the period which would be the previous year for the immediately following assessment year, is less than the income in respect of which he is required to make such deposit and accordingly wishes to make a deposit of an amount less than the amount which he is so required to deposit, he may send to the Income-tax Officer—

(i) an estimate of the adjusted total income of the said previous year;

(ii) an estimate of the advance deposit to be made by him calculated in the manner laid down in section 280E;

and shall make such deposit as accords with his estimate in equal instalments on such of the dates specified in section 211 as applied to advance deposit by section 280G as have not expired or in one sum if only the last of such dates has not expired.

(2) The depositor may send a revised estimate of the advance deposit to be made by him and adjust any excess or deficiency in respect of any instalment already paid in a subsequent instalment or in subsequent instalments.

(3) A depositor who has not previously been assessed by way of regular assessment under this Act, or under the Indian Income-tax Act, 1922 (11 of 1922) shall, before the 1st day of March in each financial year, if his total income of the period which would be the previous year for the immediately following assessment year is likely to exceed the minimum amount in relation to which annuity deposit is required to be made under the provisions of the Finance Act of that year, send to the Income-tax Officer—

(i) an estimate of the adjusted total income of the said previous year;

(ii) an estimate of the advance deposit to be made by him calculated in the manner laid down in section 280E;

and shall make such deposit as accords with his estimate, on such of the dates specified under section 211 as applied to advance deposit by section 280G as have not expired, by instalments which may be revised according to sub-section (2).

(4) Every estimate under this section shall be sent in the prescribed form and verified in the prescribed manner.

280I. **Commission receipts.**—Where part of the adjusted total income consists of any income of the nature of commission which is receivable periodically and is not received or adjusted by the payer in the depositor's account before any of the quarterly instalments of advance deposit become due, he may defer the making of advance deposit in respect of that part of his income to the date on which such income would be normally received or adjusted, and, if he does so, he shall communicate to the Income-tax Officer the date to which the making of such deposit is deferred.

280J. **Annuity deposit on the basis of self-assessment.**—Where in respect of any assessment year, incometax is payable on the basis of self-assessment under section 140A, the depositor shall, on or before the date on which tax under such assessment is payable, make an annuity deposit equal to the amount, if any, by which the amount of annuity deposit required to be made on the basis of income returned exceeds the amount, if any, of the annuity deposit already made by him in repect of that assessment year.

280K. **Annuity deposit on the basis of provisional or regular assessment.**—At the time of making a provisional assessment under section 141 or a regular assessment, or as soon thereafter as may be, the Income-tax Officer shall, by order in writing, determine the amount of annuity deposit, if any, required to be made by the depositor on the basis of the income so assessed after taking into account the amount of annuity deposit, if any, already made by him in respect of that assessment year.

280L. **Special provisions for the assessment year 1964-65.**—(1) If the total income of a depositor for the previous year relevant to the assessment year commencing on the 1st day of April, 1964 (such total income being computed without making any allowance under section 280O) exceeds fifteen thousand rupees and he does not furnish a return under section 139 before the 1st day of March, 1965 and no regular assessment under section 144 is made before the said 1st day of March, he shall send to the Income-tax Officer—

(i) an estimate of the adjusted total income of the said previous year;

(ii) an estimate of annuity deposit to be made by him calculated in the manner laid down in section 280E;

and shall make such deposit as accords with his estimate on or before the 31st day of March, 1965.

(2) An estimate under this section shall be sent in the prescribed form and verified in the prescribed manner.

280M. **Recomputation of annuity deposit in pursuance of order of appeal, etc.**—Where as a result of an order of assessment or recomputation under section 147 or as a result of an order under section 154 or section 155 or section 186 or section 250 or section 254 or section 260 or section 262 or section 263 or section 264, the total income of a depositor is enhanced or reduced, or the status under which he is assessed is altered, or in the case of a firm, registration is granted or cancelled, the Income-tax Officer shall compute or recompute the amount of annuity deposit to be made by such depositor, and the excess amount deposited, if any, shall be refunded in such manner as may be provided in a scheme framed under section 280W.

280N. **Refund of annuity deposit made by a firm assessed under clause (b) of section 183.**—Where any unregistered firm is assessed under clause (b) of section 183 for any assessment year, annuity deposit made by it in respect of that assessment year, if any, shall be refunded in such manner as may be provided in a scheme framed under section 280W.

280O. **Annuity deposit allowed as deduction in computing total income.**—(1) Notwithstanding anything to the contrary contained in the provisions of this Act relating to the computation of income chargeable under any head of income, the annuity deposit required to be made under this Chapter shall, subject to the provisions of sub-section (2), be allowed as a deduction in computing the total income assessable for the assessment year in respect of which the annuity deposit is required to be made.

(2) If the adjusted total income of the depositor includes any income chargeable under the head "Salaries", the allowance under sub-section (1) shall be made in computing the income under that head, and if there is no income chargeable under that head or the annuity deposit required to be made exceeds such income, the whole or the balance of the annuity

deposit required to be made shall be allowed as a deduction in computing earned income chargeable under any other head, and if there is no earned income chargeable under any other head or the whole or the balance of the annuity deposit required to be made exceeds such earned income, the whole or balance of the annuity deposit required to be made shall be allowed as a deduction in computing any other income under any head.

Explanation.—In this sub-section, the expression "earned income" has the meaning assigned to it in the Finance Act of the relevant year.

280P. **Annuity deposit deductible in computing income under the head "Salaries" for purposes of section 192.**—Any person responsible for paying any income chargeable under the head "Salaries" to a resident shall, at the time of payment, deduct income-tax and super-tax under section 192 as if the estimated income referred to in sub-section (1) of that section had been reduced by the amount of advance deposit, if any, to be made by the assessee at the rates in force in the financial year concerned in respect of such income, whether such advance deposit has or has not been made.

280Q. **Rounding off.**—The amount of any deposit to be made under this Chapter shall be rounded off to the nearest multiple of five rupees and where such amount contains a part of five rupees, then, if such part is two rupees and fifty naye paise or more, it shall be increased to five rupees and if such part is less than two rupees and fifty naye paise, it shall be ignored.

280R. **Penalty for failure to make deposit.**—(1) If any person who is liable to make an annuity deposit under this Chapter fails to make such deposit within the time specified therefor, the Income-tax Officer may direct that the depositor shall pay by way of penalty an amount not exceeding one-half of the annuity deposit which he is liable to make.

(2) If the Income-tax Officer, in the course of any proceedings in connection with the regular assessment is satisfied that any depositor—

(a) has furnished under section 280H an estimate of advance deposit to be made by him which he knew or had reason to believe to be untrue, or

(b) has without reasonable cause failed to furnish an estimate of advance deposit to be made by him in accordance with the provisions of sub-section (3) of section 280H,

he may direct that such depositor shall pay by way of penalty a sum—

(i) which, in the case referred to in clause (a), shall not exceed half the amount by which the advance deposit actually made during the financial year immediately preceding the assessment year under the provisions of section 280E to 280I falls short of—

(1) seventy-five per cent. of the annuity deposit required to be made on the basis of income assessed by way of regular assessment (such deposit being calculated at the rates in force in the financial year immediately preceding the assessment year), or

(2) where a notice under section 280F was issued to the depositor, the deposit required to be made thereunder,

whichever is less; and

(ii) which, in the case referred to in clause (b), shall not exceed half the amount equal to the seventy-five per cent. referred to in clause (i) (1).

(3) No order imposing a penalty under this section shall be made unless the assessee has been heard, or has been given a reasonable opportunity of being heard.

280S. **Other interest and penalty provisions of the Act not to apply.**—Notwithstanding anything to the contrary contained in this Act, the provisions of this Act, other than those contained in this Chapter or any scheme framed thereunder, relating to interest payable by the Central Government on refunds and interest payable by the assessee in default or those relating to imposition of penalty shall not apply in relation to any sum due under this Chapter.

280T. **Recovery of arrears of deposit and penalty.**—For the removal of doubts, it is hereby declared that any arrears of annuity deposit and any penalty imposed under this Chapter shall be recoverable in the manner provided in Chapter XVII-D for the recovery of arrears of tax.

280U. **Special provisions for authors, playwrights, artists, musicians and actors.**—Any individual, being an author, playwright, artist, musician or actor, may, in addition to the amount of annuity deposit required to be made by him in respect of any assessment year, make a further deposit of an amount not exceeding fifteen per cent of his adjusted total income assessable for that assessment year, and if he does so, the further deposit made by him, shall, for the purposes of this Chapter, be included in the annuity deposit required to be made by him.

280V. **Special provisions relating to gratuity.**—Where the total income of a depositor assessable for any assessment year includes any gratuity chargeable under the head "Salaries", he may, in addition to the amount of annuity deposit required to be made by him in respect of that assessment year, make a further deposit of an amount not exceeding fifty per cent. of the amount of such gratuity, and if he does so, the further deposit made by him, shall, for the purposes of this Chapter, be included in the annuity deposit required to be made by him.

280W. **Annuity Deposit Scheme.**—(1) The Central Government shall, by notification in the Official Gazette, frame one or more scheme or schemes to be called Annuity Deposit Scheme or Schemes in relation to deposits under this Chapter.

(2) A scheme under sub-section (1) may provide for—

(a) the manner in which the annuity deposits shall be made,

(b) the manner in which, and intervals at which, annuities shall be paid; and where an annuity deposit is recomputed under section 280M, the manner in which the excess or deficiency of annuity deposit may be adjusted;

(c) the authority or authorities by or through whom such deposits may be collected or by whom annuities may be issued;

(d) the documents to be issued to persons by whom deposits have been made as evidence of such deposits;

(e) the accounts to be maintained with respect to such deposits and annuities and the officers by whom such accounts shall be maintained;

(f) the nomination of any person to receive the annuity or any other sum due under this Chapter to any depositor in the event of his death and the cancellation or change of such nomination;

(g) the issue of duplicate of any document issued as evidence of any such deposit in the event of loss or destruction of the original and the fee on the payment of which such duplicate may be issued; and

(h) any other matter which may be necessary or proper for the effective implementation of the scheme.

(3) The Central Government may, by notification in the Official Gazette, add to, amend, vary or rescind any scheme framed under this Chapter.

(4) Any scheme framed under this Chapter shall be laid, as soon as may be, after it is framed before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and, if before the expiry of the session in which it is so laid or the session immediately following, both Houes agree in making any modification in any provision of the scheme or both Houses agree that any provision in the scheme should not be made, that provision of the scheme shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that provision".

45. **Substitution of new section for section 287.**— For section 287 of the Income-tax Act, the following section shall be substituted, namely:--

"287. **Publication of information respecting assessees.**—(1) If the Central Government is of opinion that it is necessary or expedient in the public interest to publish the names of any assessees and any other particulars relating to any proceedings under this Act in respect of such assessees, it may cause to be published such names and particulars in such manner as it thinks fit.

(2) No publication under this section shall be made in relation to any penalty imposed, or any conviction for any offence connected with any proceedings, under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner or to the first Appellate Court, as the case may be, has expired without an appeal having been presented or the appeal, if presented, has been disposed of.

Explanation.—In the case of a firm, company or other association of persons, the names of the partners of the firm, directors, managing agents, secretaries and treasurers, or managers of the company, or the members of the association, as the case may be, may also be published if, in the opinion of the Central Government, the circumstances of the case justify it".

46. **Amendment of section 293.**—In section 293 of the Income tax Act, after the words "lie against", the words "the Government or" shall be inserted.

47. **Amendment of section 295.**—In section 295 of the Income-tax Act, in sub-section (2), after clause (d), the following clause shall be inserted, namely:—

"(dd) the extent to which, and the conditions subject to which, any expenditure referred to in sub-section (3) of section 37 may be allowed;".

48. **Omission of the Fifth Schedule.**—In the Income-tax Act, the Fifth Schedule shall be omitted.

49. **Amendment of Act 34 of 1953.**—In the Estate Duty Act, 1953,—

(a) in section 5A, the following amendments shall be made and shall be deemed to have been made with effect from the 23rd day of September, 1963, namely:—

(i) in sub-section (2), the word "Orissa" shall be omitted;

(ii) in sub-section (3), the words "in the State of Orissa and" shall be omitted;

(b) in section 33, in sub-section (1), after clause (m), the following clause shall be inserted, namely:—

"(n) one house or part thereof exclusively used by the deceased for his residence, to the extent the principal value thereof does not exceed rupees one lakh if such house is situate in a place with a population exceeding ten thousand, and the full principal value thereof in any other case";

(c) in section 34, in clause (a) of sub-section (1), for the brackets, letters and word "(l) and (m)", the brackets, letters and word"(l), (m) and (n)" shall be substituted;

(d) in section 78, after the words "lie against", the words "the Government or" shall be inserted;

(e) for section 80, the following sections shall be substituted, namely:—

"80. **Disclosure of information respecting assessments.**—Where a person makes an application to the Controller in the prescribed form and pays the prescribed fee for information relating to any assessment made under this Act, the Controller may, if he is satisfied that there are no circumstances justifying its refusal, furnish or cause to be furnished the information asked for.

80A. **Publication of information respecting accountable persons.**—(1) If the Central Government is of opinion that it is necessary or expedient in the public interest to publish the names of any accountable persons and any other particulars relating to any proceedings under this Act in respect of such persons, it may cause to be published such names and particulars in such manner as it thinks fit.

(2) No publication under this section shall be made in relation to any penalty imposed under this Act until the time for presenting an appeal to the Appellate Controller has expired without an appeal having been presented or the appeal, if presented, has been disposed of.";

(f) in the Second Schedule, for Part I, the following Part shall be substituted, namely:—

"PART I

In the case of any property which passes or is deemed to pass on the death of the deceased—

	Rate of duty
(1) On the first Rs. 50,000 of the principal value of the estate . . .	Nil
(2) On the next Rs. 50,000 of the principal value of the estate . . .	4%
(3) On the next Rs. 1,00,000 of the principal value of the estate . . .	8%
(4) On the next Rs. 3,00,000 of the principal value of the estate . .	15%

(5) On the next Rs. 5,00,000 of the principal value of the estate . . .	25%
(6) On the next Rs. 5,00,000 of the principal value of the estate . . .	40%
(7) On the next Rs. 5,00,000 of the principal value of the estate . . .	50%
(8) On the balance of the principal value of the estate . . .	85%"

50. **Amendment of Act 27 of 1957.**—In the Wealth-tax Act, 1957,—

(a) in section 5, in sub-section (1), for clause (iv), the following clause shall be substituted, namely:—

"(iv) one house or part of a house belonging to the assessee exclusively used by him for residential purposes:

Provided that where the value of such house or part, situate in a place with a population exceeding ten thousand, exceeds one lakh of rupees, the amount that shall not be included in the net wealth of an assessee under this section shall be one lakh of rupees.";

(b) section 42 shall be omitted;

(c) for sections 42A and 42B, the following sections shall be substituted, namely:—

"42A. **Publication of information respecting assessees.**—(1) If the Central Government is of opinion that it is necessary or expedient in the public interest to publish the names of any assessees and any other particulars relating to any proceedings under this Act in respect of such assessees, it may cause to be published such names and particulars in such manner as it thinks fit.

(2) No publication under this section shall be made in relation to any penalty imposed, or any conviction for any offence connected with any proceedings, under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner or to the first Appellate Court, as the case may be, has expired without an appeal having been presented or the appeal, if presented, has been disposed of.

42B. **Disclosure of information respecting assessees.**—Where a person makes an application to the Commissioner in the prescribed form and pays the prescribed fee for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that there are no circumstances justifying its refusal, furnish or cause to be furnished the information asked for.";

(d) in section 43, after the words "lie against", the words "the Government or" shall be inserted;

(e) in the Schedule, for Part I, the following Part shall be substituted, namely:—

"PART I

(a) In the case of every individual

	Rate of tax
(*i*) on the first rupees one lakh of net wealth	Ni
(*ii*) on the next rupees four lakhs of net wealth	0·5%
(*iii*) on the next rupees five lakhs of net wealth	1·0%
(*iv*) on the next rupees ten lakhs of net wealth	2·0%
(*v*) on the balance of net wealth	2·5%

	Rate of tax
(b) in the case of every Hindu undivided family:—	
(*i*) on the first rupees two lakhs of net wealth	Nil
(*ii*) on the next rupees three lakhs of net wealth	0·5%
(*iii*) on the next rupees five lakhs of net wealth	1·0%
(*iv*) on the next rupees ten lakhs of net wealth	2·0%
(*v*) on the balance of net wealth	2·5%

51. **Amendment of Act 29 of 1957.**—In the Expenditure- tax Act, 1957—

(i) in section 5,—

(1) for clause (g), the following clause shall be substituted, namely:—

"(g) any expenditure incurred by the assessee in the purchase of books;";

(2) to clause (j), the following proviso shall be added, namely:—

"Provided that the assessee is either chargeable to gift-tax under the Gift-tax Act, 1958 (18 of 1958) in respect of such gift donation or settlement, as the case may be, or has deposited to the credit of the Central Government before the completion of his assessment for the relevant assessment year under this Act, a sum of four per cent. of the moneys or the value of the property comprised in such gift or donation or settlement, as the case may be, by way of payment of expenditure-tax for the relevant assessment year, such payment being in addition to the amount of expenditure-tax with which he is otherwise chargeable under the provisions of this Act.";

(3) clauses (l) and (n) shall be omitted:

(ii) in section 6—

(a) in sub-section (1)—

(1) sub-clause (ii) of clause (a), and clause (c) shall be omitted;

(2) for clause (d), the following clause shall be substituted, namely:—

"(d) four-fifths of any expenditure incurred by way of capital expenditure on the purchase of bullion, precious stones, jewellery, motor-cars and other conveyances for the personal use of the assessee or any of his dependants:

Provided that where a deduction as aforesaid is made, one-fifth of the said capital expenditure shall be deemed to be incurred by the assessee in each of the four years succeeding the previous year in which the expenditure was incurred and no deduction shall be made under this clause in the assessment for any succeeding year in respect of expenditure so deemed to have been incurred in any earlier year;";

(3) clauses (e), (f), (g) and (h) shall be omitted;

(4) in clause (i), the words, brackets and letters "to the extent to which such expenditure is not admissible under clause

(c) or clause (e) or clause (f) or clause (g)" shall be omitted;

(5) clause (j) shall be omitted;

(b) sub-section (2) and sub-section (3) shall be omitted;

(iii) section 38 shall be omitted;

(iv) for sections 38A and 38B, the following sections shall be substituted, namely:—

"38A. **Publication of information respecting assessees.**—(1) If the Central Government is of opinion that it is necessary or expedient in the public interest to publish the names of any assessees and any other particulars relating to any proceedings under this Act in respect of such assessees, it may cause to be published such names and particulars in such manner as it thinks fit.

(2) No publication under this section shall be made in relation to any penalty imposed, or any conviction for any offence connected with any proceedings, under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner or to the first Appellate Court, as the case may be, has expired without an appeal having been presented or the appeal, if presented, has been disposed of.

38B. **Disclosure of information respecting assessees.**—Where a person makes an application to the Commissioner in the prescribed form and pays the prescribed fee for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that there are no circumstances justifying its refusal, furnish or cause to be furnished the information asked for.";

(v) in section 39, after the words "lie against," the words "the Government or" shall be inserted;

(vi) for the Schedule, the following Schedule shall be substituted, namely:—

"THE SCHEDULE

(See section 3)

Rates of Expenditure-Tax

In the case of every individual and Hindu undivided family, on that portion of the taxable expenditure—

(*i*) which does not exceed Rs. 36,000	Nil.
(*ii*) which exceeds Rs. 36,000 but does not exceed Rs. 48,000 . .	5%
(*iii*) which exceeds Rs. 48,000 but does not exceed Rs. 60,000 . .	7·5%
(*iv*) which exceeds Rs. 60,000 but does not exceed Rs. 72,000 . .	10%
(*v*) which exceeds Rs. 72,000 but does not exceed Rs. 84,000 . .	15%
(*vi*) which exceeds Rs. 84,000	20%

Provided that in respect of any assessment for the financial year commencing on the 1st day of April, 1964 or 1965, this Schedule shall have effect as if for items (v) and (vi), the following item had been substituted namely:—

(v) which exceeds Rs. 72,000 ..15%.".

52. **Amendment of Act 18 of 1958.**—In the Gift-tax Act, 1958,—

(a) in section 5, in clause (vii) of sub-section (1), for the words "rupees one lakh," the words "rupees fifty thousand" shall be substituted;

(b) after section 6, the following section shall be inserted, namely:—

"6A. **Aggregation of gifts made to the same donee during a certain period.**(1) Notwithstanding anything to the contrary contained in this Act, where an assessee has made taxable gifts to the same donee during a previous year and during any one or more of the four previous years immediately preceding such previous year, the gift-tax payable by him for the relevant assessment year shall, subject to the provisions of sub-section (2), be determined in the following manner, namely:—

(a) the value of the taxable gifts made to such a donee during any one or more of the four previous years immediately preceding the previous year relevant to an assessment year shall be aggregated with the value of the taxable gifts made by the assessee during the relevant previous year and gift-tax shall be calculated on the aggregate value at the rate or rates specified in the Schedule;

(b) from the amount of gift-tax calculated under clause (a), there shall be deducted the aggregate of—

(i) an amount which bears to the amount of gift-tax calculated under clause (a) the same proportion as the value of any taxable gift made to such donee prior to the 1st day of April, 1963 included in the aggregate value referred to in clause (a) bears to such aggregate value;

(ii) the amount of any gift-tax payable by the assessee for each of the four assessment years immediately preceding the relevant assessment year in respect of the value of the taxable gifts made by him to the said donee after the 31st day of March, 1963, included in the aggregate value referred to in clause (a),

and the balance shall be the amount of gift-tax payable by the assessee.

Explanation.—For the purposes of sub-clause (ii) of clause (b), the amount of gift-tax payable by an assessee in respect of the value of taxable gifts made by him to the same donee for each of the four assessment years immediately preceding the relevant assessment year means such proportion of the total amount of gift-tax payable by the assessee for that assessment year as the value of any taxable gifts made by him after the 31st day of March 1963, to such donee during the relevant previous year bears to the total value of the taxable gifts made by the assessee during that previous year.

(2) The gift-tax payable by an assessee shall in no case be less than the amount of the gift-tax which would be payable by him without giving effect to the provisions of sub-section (1).";

(c) in section 32, to sub-section (2) the following proviso shall be, and shall deemed always to have been, added, namely:—

"Provided that where as a result of an order under section 22, or section 23, or section 24, or section 25, or section 26, or section 28, or section 34, the amount on which interest was payable under this section had been reduced the interest shall be reduced accordingly and the excess interest paid, if any, shall be refunded.";

(d) in section 34, in sub-section (5), for the word and figures "section 33", the word, figures and letter "section 33A" shall be, and shall be deemed always to have been, substituted;

(e) section 41 shall be omitted;

(f) for sections 41A and 41B, the following sections shall be substituted namely:—

"41A. **Publication of information respecting assessees.**—(1) If the Central Government is of opinion that it is necessary or expedient in the public interest to publish the names of any assessees and any other particulars relating to any proceedings under this Act in respect of such assessees, it may cause to be published such names and particulars in such manner as it thinks fit.

(2) No publication under this section shall be made in relation to any penalty imposed, or any conviction for any offence connected with any proceedings under this Act unutil the time for presenting an appeal to the Appellate Assistant Commissioner or to the first Appellate Court, as the case may be, has expired, without an appeal having been presented or the appeal, if presented, has been disposed of.

Explanation.—In the case of a firm, company or other association of persons, the names of the partners of the firm, directors, managing agents, secretaries and treasurers, or managers of the company, or the members of the association, as the case may be also be published if, in the opinion of the Central Government, the circumstances of the case justify it.

41B. **Disclosure of information respecting assessees.** Where a person makes an application to the Commissioner in the prescribed form and pays the prescribed fee for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that there are no circumstances justifying its refusal, furnish or cause to be furnished the information asked for.";

(g) in section 42, after the words "lie against", the words "the Government or" shall be inserted;

(h) for the Schedule, the following Schedule shall be substituted, namely:—

"THE SCHEDULE

[See section 3]

RATES OF GIFT TAX

	Rate of gift-tax
(1) On the first Rs. 5,000 of the value of all taxable gifts . . .	4%
(2) On the next Rs. 15,000 of the value of all taxable gifts . . .	8%

(3) On the next Rs. 25,000 of the value of all taxable gifts 15%
(4) On the next Rs. 1,00,000 of the value of all taxable gifts 25%
(5) On the next Rs. 2,00,000 of the value of all taxable gifts 40%
(6) On the balance of the value of all taxable gifts . . . . . 5%"

53. **Expenditure-tax to be levied from 1st April, 1964.**—Notwithstanding anything contained in section 13 of the Finance (No. 2) Act, 1962, (20 of 1962) expenditure-tax shall be charged under the Expenditure-tax Act, 1957 (29 of 1957) for every financial year commencing on or after the 1st day of April, 1964, in respect of the expenditure incurred by an individual or Hindu undivided family.

54. **Amendment of Act 13 of 1963.**—In Paragraph A of Part I of the First Schedule to the Finance Act, 1963, for clause (ii) of the proviso to clause (c) under the heading "Surcharges on income-tax", the following clause shall be, and shall be deemed always to have been, substituted, namely:—

"(ii) the additional surcharge shall in no case exceed one-half of the amount by which the residual income exceeds the limit specified below.".

55. **Super profits tax not to be levied from 1st April, 1964.**—Notwithstanding anything contained in the Super Profits Tax Act, 1963, (14 of 1963) super profits tax shall not be charged for any assessment year commencing on or after the 1st day of April, 1964, in respect of the chargeable profits of any company.

56. **Amendment of Act 32 of 1934.**—The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act) shall be amended in the manner specified in the Third Schedule.

57. **Surcharge on duties of customs.**—(1) In the case of goods chargeable with a duty of customs which is specified in the First Schedule to the Tariff Act as amended by this Act or any subsequent Act of Parliament, or in that Schedule read with any notification of the Central Government for the time being in force, there shall be levied and collected as an addition to, and in the same manner as, the total amount so chargeable, a sum equal to 10 per cent. of such amount:

Provided that in computing the total amount so chargeable, any duty chargeable under section 2A of the Tariff Act or section 58 of this Act shall not be included.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1965 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

58. **Regulatory of customs.**—(1) There shall be levied and collected, with effect from such date as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all goods mentioned in the First Schedule to the Tariff Act as amended by this Act or any subsequent Act of Parliament, a regulatory duty of customs which shall be—

(a) 25 per cent. of the rate, if any, specified in the said First Schedule read with any notification issued under section 3A or sub-section (1) of section 4 of the Tariff Act; or

(b) 10 per cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (52 of 1962),

whichever is higher.

Provided that different dates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 30th day of April, 1965 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duty of customs leviable under this section in respect of any goods referred to in sub-section (1) shall be in addition to any other duty of customs chargeable on such goods under the Customs Act, 1962 (52 of 1962).

(4) The provisions of the Customs Act, 1962 (52 of 1962) and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament,

59. **Amendment of Act 1 of 1949.**—In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1964", the figures "1965" shall be substituted.

60. Amendment of Act 1 of 1944.—In the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act),—

(1) in section 2, in clause (f),—

(i) the words beginning with "and the word 'manufacturer' " and ending with "are intended for sale" shall be omitted;

(ii) after sub-clause (iii), the following sub-clause shall be inserted, namely:—

"(iv) in relaltion to goods comprised in Item No. 18A of the First Schedule, includes sizing, beaming warping, wrapping, winding or reeling, or any one or more of these processes, or the conversion of any form of the said goods into another form of such goods;

and the word 'manufacturer' shall be construed accordingly and shall include not only a person who employs hired labour in the production or manufacture of excisable goods, but also any person who engages in their production or manufacture on his own account;";

(2) in the First Schedule,—

(a) in Item No. 4, under "II—Manufactured tobacco—" for the entries in the third column against sub-items 2(iii) and 2(iv), the entries "Seven rupees and fifty naye paise" and "Four rupees and forty naye paise" shall, respectively, be substituted;

(b) in Item No. 14 under "I", after sub-item (4), the following sub-item shall be inserted, namely:—

"(4A) Dispersed Organic pigments ordinarily used for the printing of textiles, whether in the form of powder, paste or in emulsion.	Two rupees and fifty naye paise per kilogram.";

(c) after Item No. 14B, the following Item shall be inserted namely:—

"14BB. SODIUM SILICATE	Eight rupees per quintal.";

(d) in Item No. 14F, in the second column,—

(i) for sub-items (i), (ii) and (iii), the following sub-item shall be substituted, namely:—

"(i) Preparations for care of the skin including beauty creams, vanishing creams, and cold creams, make-up creams, cleaning creams, skin foods and tonics, face powders, baby powders, toilet powders and talcum powders.";

(ii) sub-item (iv) shall be re-numbered as sub-item (ii);

(e) in Item No. 15, under "I" for sub-items (1), (2) and (3), the following sub-items shall be substituted, namely:—

"(1) Soap, household and laundry .	Eighteen rupees per quintal.
(2) Other sorts	Thirty-eight rupees per quintal";

(f) for Item No. 15A, the following Item shall be substituted, namely:—

"15A. ARTIFICIAL OF SYNTHETIC RESINS AND PLASTIC MATERIALS AND ARTICLES THEREOF	Twenty percent *ad valorem*"

"15A. Artificial or Synthetic Resins and Plastic materials, and articles thereof.

(1) Artificial or synthetic resins and plastic materials in any form, whether solid, liquid or pasty, or as powder, granules or flakes or in the form of moulding powders, the following, namely:—

(i) Condensation, Poly condensation and Poly-addition products, whether or not modified or poly-merised, including Phenoplasts, Aminoplasts, Alkyds, Polyurethane, Polyallyl Esters and other Unsaturated Polyesters;

(ii) Polymerisation and Copolymerisation products including Polyethylene and. Polytetrahaloethylene, Polyisobutylene, Polystyrene, Polyvinyl chloride, Polyvinyl acetate, Polyvinyl Chloroacetate and other Polyvinyl derivatives, Polyamides, Polyacrylic and Polymethacrylic derivatives and Coumarone-Indene resins; and

(iii) Cellulose acetate (including di-or tri-acetate), Cellulose acetate butyrate and Cellulose propionate, Cellulose acetate-propionate, Ethyl cellulose and Benzyl cellulose, whether plasticised or not, and plasticised Cellulose nitrate.

(2) Articles made of plastics, all sorts, including tubes, rods, sheets, foils, sticks, other rectangular or profile shapes, whether lamminated or not, and whether rigid or flexible, including layflat tubings and Polyvinyl chloride sheets.

Explanation.—For the purpose of sub-item (2), 'plastics' means the various artificial or synthetic resins or plastic material included in sub-item (1).";

(g) in Item No. 17, for sub-items (1) to (10), the following sub-items shall be substituted, namely:—

"(1) Cigarette tissue	One rupee per kilogram.
(2) Bloting, toilet, target, tissue other than cigarette tissue, teleprinter, typewriting, manifold, bank, bond, art paper chrome paper, tubsized paper, cheque paper, stamp paper, cartridge paper, parchment and coated board (including art board chrome board and board for playing cards).	Fifty naye paise per kilogram.
(3) Printing and writing paper, packing and wrapping paper, straw board and pulp-board, including grey board, corrugated board, duplex and triplex boords, other sorts.	Thirty-five naye paise per kilogram
(4) All other kinds of paper and paper-board not otherwise specified.	Fifty naye paise per kilogram.";

(h) in Item No. 18, for the entry in the third column, the entry "Nine rupees for kilogram" shall be substituted;

(i) for Item No. 18A, the following Item shall be substituted, namely:—

"18A. COTTON TWIST, YARN AND THREAD, ALL SORTS, sized or unsized, in all forms including skeins, hanks, cops, cones, bobbins, pirns, spools, reels cheeses, balls or on warp beams, in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power—

(1) of counts 29 or more	One rupee per kilogram.
(2) of counts less than 29	Fifty naye paise per kilogram

Explanation.—(1) 'Count' means the size of grey yarn-expressed as the number of 1000 metre hanks per one-half kilogram.

(2) For multiple fold yarn, 'count' means the count of the basic single yarn.";

(j) in Item No. 18B—

(a) for sub-item (1), the following sub-item shall be substituted namely:—

"(1) worsted yarn—

(*a*) of 48 counts and more . . .	Twenty per cent *ad valorem*
(*b*) of less than 48 counts . . .	Fifteen per cent *ad valorem.*"

(b) the following Explanation shall be inserted at the end, namely:—

"*Explanation.*—'Count' means the size of single yarn expressed as the number of 560 yards hanks per pound.":

(k) for Item No. 25, the following Item shall be substituted, namely:—

"25. IRON IN ANY CRUDE FORM including pig iron, scrap iron, molten iron of iron cast in any other shape or size.	Forty-five rupees per metric tonne";

(l) for Item No. 26, the following Item shall be substituted, namely:—

"26. STEEL INGOTS including steel melting scrap.	Fifty rupees per metric tonne.";

(m) in Item No. 26AA—

(i) for the entry in the third column against each of the sub-items (i) and (ia), the entry "Forty rupees per metric tonne plus the excise duty for the time being leviable on steel ingots" shall be substituted;

(ii) for sub-items (ii) and (iii), the following sub-items shall be substituted, namely:—

"(*ii*) Plates and sheets (including uncoated plates and sheets intended for tinning, all sorts, and hoops and strips all sorts, other than skelp.	One hundred and fifty rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.
(*iii*) Skelp	One hundred and fifty rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.";

(n) in Item No. 27, for the entry in the second column against sub-item (b), the entry "Manufactures, the following, namely, plates sheets, circles, strips and extruded shapes and sections in any form or size." shall be substituted;

(o) in Item No. 33B, for the entry in the second column against sub-item (i), the entry "Insulated copper wires and cables, whether sheathed or unsheathed, any core of which, not being one specially designed as a pilot core, has a sectional area of less than 8·0645 square millimetres and wires and cables of other metals and alloys of not more than equivalent conductivity." shall be substituted;

(p) in Item No. 34,—

(i) after sub-item (3), the following sub-item shall be inserted, namely:—

"(3*a*) Tractors, including agricultural tractors.	Ten per cent *ad valorem*.";

(ii) the following Explanation shall be inserted at the end, namely:—

"Explanation.—For the purposes of this Item, where a motor vehicle is mounted, fitted or fixed with any weight-lifting, earth moving and similar specialised material handling equipment, then such equipment other than the chassis shall not be taken into account.";

(q) for Item No. 36, the following Item shall be substituted, namely:—

"36. FOOTWEAR AND PARTS THEREOF in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power.

(*1*) Footwear	Ten per cent. *ad valorem*.
(*2*) Parts of footwear	Fifteen per cent. *ad valorem*.";

Explanation.—'Footwear' includes all varieties of footwear, whether known as boots, shoes, sandals, chappals, or by any other name.".

61. Special duty of excise on certain goods.—(1) When goods of the description mentioned in this section chargeable with a duty of excise under the First Schedule to the Central Excises Act, as amended by this Act or any subsequent Act of Parliament or under that Schedule read with any notification of the Central Government for the time being in force, are assessed to duty, there shall be levied and collected—

(a) as respects goods comprised in Items Nos. 6, 8, 9, 14D, 22A, 23A except sub item (1) thereof, 23B, 28, 29, sub-items (2) and (3) of Item No. 31 and Item No. 32 of that Schedule, a special duty of excise equal to 10 per cent. of the total amount so chargeable on such goods;

(b) as respects goods comprised in Items Nos. 2, 3(1), sub-items I, II(2) and II(3) of Item No. 4, 1tems Nos. 13, 14, 14F, 15, 15A, 15B, 16, 16A, 17, 18A(2), 21, 22, 23, 23A (1), 27, 30, 31(1), 33, sub-items (1), (3a) and (4) of Item No. 34 and Item No. 37 of that Schedule, a special duty of excise equal to 20 per cent. of the total amount so chargeable on such goods; and

(c) as respects goods comprised in Items Nos. 4II(1), 18, 18A(1), 18B, 20, 29A, 33A, sub-items (2) and (3) of Item No. 34 and radiograms comprised in Item No. 37A of that Schedule a special duty of excise equal to 33 1/3 per cent. of the total amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1965 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such special duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

62. **Regulatory duty of excise.**—(1) There shall be levied and collected, with effect from such date as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all goods mentioned in the First Schedule to the Central Excises Act as amended by this Act or any subsequent Act of Parliament, a regulatory duty of excise which shall be fifteen per cent. of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act:

Provided that different dates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 30th day of April, 1965, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897)

shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such regulatory duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

63. **Discontinuance of salt duty**.—For the year beginning on the first day of April, 1964, no duty under the Central Excises Act, or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

64. **Amendment of Act 16 of 1955**.—In the Medicinal and Toilet Preparations (Excise Duties) Act, 1955,—

(a) in section 2,—

(i) in clause (h), for the words and figures "and which is a dangerous drug within the meaning of the Dangerous Drugs Act, 1930", the words "and includes all alkaloids of opium", shall be substituted;

(ii) for clause (i), the following clause shall be substituted, namely:—

"(i) 'opium' means—

(i) the capsules of the poppy (Papaver somniferum L), whether in their original form or cut, crushed or powdered and whether or not juice has been extracted therefrom;

(ii) the spontaneously coagulated juice of such capsules which has not been submitted to any manipulations other than those necessary for packing and transport; and

(iii) any mixture, with or without neutral materials, of any of the above forms of opium, and includes any derivative of opium;";

(b) for the Schedule, the following Schedule shall be substituted namely:—

"THE SCHEDULE

(See section 3)

Item No.	Description of dutiable goods	Rate of duty
	Medicinal Preparations	
1	Allopathic Medicinal Preparations :—	
(*i*)	Medicinal preparations containing alcohal which are not capable of being consumed as ordinary alcoholic beverages .—	
(*a*)	Patent or proprietary medicines	Ten per cent *ad valorem* or rupee one and ten naye paise per litre of the strength of London Proof sprit, whichever is higher.
(*b*)	Others	Rupee one and ten naye paise per litre of the strength of London proof spirit.
(*ii*)	Medicinal preparations, containing alcohol which are capable of being consumed as ordinary alcoholic beverages —	
(*a*)	Medicinal preparations which contain known active ingredients in the repautic quantities.	Ten per cent., *ad valorem* or rupees three and eighty-five naye paise per litre of the strength of London proof spirit, whichever is higher.
(*b*)	Others	Rupees fifteen and fifty naye paise per litre of the strength of London proof spirit.
(*iii*)	Medicinal preparations not containing alcohol but containing opium, Indian hemp or other narcotic drug or narcotic.	Ten per cent. *ad valorem*.
2.	Medicinal preparations in Ayurvedic, Unani or other indigenous systems of medicine—	
(*i*)	Medicinal preparations containing self-generated alcohol which are not capable of being consumed as ordinary alcoholic beverages.	*Nil*
(*ii*)	Medicinal preparations containing self-generated alcohol which are capable of being consumed as ordinary alcoholic beverages.	Thirty-eight naye paise per litre of the strength of London proof spirit.
(*iii*)	All others containing alcohol which are prepared by distillation or to which alcohol has been added.	Rupees fifteen and fifty naye paise per litre of the strength of London proof spirit.
(*iv*)	Medicinal preparations not containing alcohol but containing opium, Indian hemp, or other narcotic drug or narcotic.	Ten per cent. *ad valorem*.
3.	Homoeopathic preparations containing alcohol	Rupees three and eighty-five naye paise. per litre of the strength of London proof spirit.;

Item No.	Description of dutiable goods	Rate of duty
	Toilet Preparation	
4.	Toilet preparations containing alcohol, or opium, Indian hemp, or other narcotic drug or narcotic.	Twenty-five per cent. *ad valorem* or rupees three and eighty-five naye paise per litre of the strength of London proof spirit, which ever is higher.

Explanation I.—'Patent or proprietary medicines' means any medicinal preparation which bears either on itself or on its container or both, a name which is not specified in a monograph in a Pharmacopoeia, Formulary or other publications notified in this behalf by the Central Government in the Official Gazette, or which is a brand name, that is, a name or a registered trade mark under the Trade and Merchandise Marks Act, 1958 (43 of 1958), or any other mark such as a symbol, monogram, label, signature or invented words or any writing which is used in relation to that medicinal preparation for the purpose of indicating or so as to indicate a connection in the course of trade between the preparation and some person having the right either as proprietor or otherwise to use the name or mark with or without any indication of the identity of that person.

Explanation II.—Where any article is chargeable with duty at a rate dependent on the value of the article such value shall be deemed to be the value as determined in accordance with the provisions of section 4 of the Central Excises and Salt Act, 1944 (1 of 1944).

Explanation III.—'London proof spirit' means that mixture of ethyl alcohol and distilled water which at the temperature of 51 degrees Fahrenheit weighs exactly 12/13th parts of an equal measure of distilled water at the same temperature.

Explanation IV.—Where in respect of any dutiable goods the unit of assessment for the purpose of any duty under this Act is a litre of the strength of London proof spirit, the duty shall be increased or reduced in such proportion as the strength of the dutiable goods is greater or less than that of the London proof spirit".

65. *Amendment of Act* 21 *of* 1963.—In Compulsory Deposit Scheme Act, 1963, in section 4, after sub-section (9), the following sub-sections shall be inserted, namely:—

"(9A) If any person has deposited any amount under the provisions of sub-section (3) or sub-section (4) which is in excess of the amount of additional surcharge payable by him, such excess shall, on an application made by that person, be refunded to him with interest due thereon, in such manner as the Central Government thinks fit.

(9B) If any person who is liable to pay advance tax under the Income-tax Act has made a deposit under the provisions of sub-section (5) in the financial year commencing on the first day of April, 1963, the amount of such deposit shall, on an application made by that person, be refunded to him with interest due thereon, in such manner as the Central Government thinks fit."

Declaration under the Provisional Collection of Taxes Act, 1931

It is hereby declared that it is expedient in the public interest that the provisions of clauses 56, 57, 59, 60, 61 and 64 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931, (16 of 1931).

THE FIRST SCHEDULE

(*See* section 2)

PART I

Income-tax and surcharge on income-tax

Paragraph A

(i) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case—

Rates of Income-tax

	Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener	Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor coparcener	Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor coparcener	
	Rs.	Rs.	Rs.	
(1) On the first	3,000 of total income	3,300 of total income	3,600 of total income	Nil.
(2) On the next	2,000 ,,	1,700 ,,	1,400 ,,	6%
(3) On the next	2,500 ,,	2,500 ,,	2,500 ,,	10%
(4) On the next	5,000 ,,	5,000 ,,	5,000 ,,	15%
(5) On the next	7,500 ,,	7,500 ,,	7,500 ,,	20%

(ii) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of every unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies:—

(1) On the first Rs. 1,000 of total income	Nil
(2) On the next Rs. 4,000 of total income	6%
(3) On the next Rs. 2,500 of total income	10%
(4) On the next Rs. 5,000 of total income	15%
(5) On the next Rs. 7,500 of total income	20%
(6) On the balance of total income	25%

Provided that for the purposes of this Paragraph—

(i) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit;

(iii) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(a) the income-tax which would have been payable if the total income had been Rs. 20,000;

(b) half the amount by which the total income exceeds Rs. 20,000.

The limit aforesaid shall be—

(i) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 3,000 in every other case.

Surcharge on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union, which shall be equal to the aggregate of the sums computed as hereunder:—

(a) where the amount of the income other than earned income, if any, included in the total income exceeds Rs. 10,000, a sum calculated on the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income, at the following rate, namely:—

(*i*) where the amount of the income other than the earned income, if any, included in the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000.	at the rate of 12·5% :

Provided that the amount of surcharge payable under this clause shall in no case exceed one-tenth of the amount by which the income other than the earned income exceeds Rs. 10,000;

(*ii*) where the amount of the income other than the earned income, if any, included in the total income exceeds Rs. 25,000 but does not exceed Rs. 75,000.	at the rate of 15% :

Provided that the surcharge payable under this clause shall in no case exceed the aggregate of the following sums, namely:—

(1) an amount calculated at the rate of twelve and a half per cent. on the amount of income-tax on an income of Rs. 25,000, if such income had been the total income (the income of Rs. 25,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the person concerned);

(2) one-tenth of the amount by which the income other than the earned income exceeds Rs. 25,000;

(*iii*) where the amount of the income other than the earned income, if any, included in the total income exceeds Rs. 75,000. at the rate of 17·5%:

Provided that the surcharge payable under this clause shall in no case exceed the aggregate of the following sums, namely:—

(1) an amount calculated at the rate of fifteen per cent. on the amount of income-tax on an income of Rs. 75,000, if such income had been the total income (the income of Rs. 75,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the person concerned);

(2) one-tenth of the amount by which the income other than the earned income exceeds Rs. 75,000;

(b) where the earned income included in the total income exceeds Rs. 1,00,000, a sum calculated at ten per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000.

Paragraph B

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of five per cent. of the amount of income-tax.

Paragraph C

In every case in which under the provisions of the Income-tax Act income-tax is to be charged at the maximum rate,—

Rate of income-tax

On the whole of the total income . . . . . 25 %

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 17·5 per cent. of the amount of income-tax.

Paragraph D

In the case of every company,—

Rate of income-tax

On the whole of the total income	25%

Provided that a rebate at the rate of ten per cent on so much of the total income as consists of dividends from an Indian company which is not such a company as is referred to in section 108 of the Income-tax Act and which is wholly or mainly engaged in the business of generation and distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule, shall be allowed in the case of a company which has not made the prescribed arrangements for the declaration and payment of dividends within India.

Paragraph E

In the case of every registered firm,—

Rate of income-tax

(1) On the first Rs. 25,000 of total income	Nil
(2) On the next Rs. 25,000 of total income	6%
(3) On the next Rs. 50,000 of total income	8%
(4) On the balance of total income	12%

Surcharge on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union equal to the sum of—

(i) twenty per cent. of the amount of income-tax payable by the firm on its income from any business carried on by it calculated at the average rate of income-tax applicable to its total income; and

(ii) ten per cent. of the amount of income-tax payable by it on its income from all sources other than from any business carried on by it calculated at the average rate of income-tax applicable to its total income.

PART II

Super-tax and surcharge on super-tax

Paragraph A

In the case of every individual, Hindu undivided family, unregistered firm or other association of persons or body of individuals, whether

incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of super-tax

(1) On the first Rs. 20,000 of total income	Nil.
(2) On the next Rs. 5,000 of total income	10%
(3) On the next Rs. 5,000 of total income	15%
(4) On the next Rs. 20,000 of total income	30%
(5) On the next Rs. 20,000 of total income	45%
(6) On the balance of total income	50%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union, which shall be equal to the aggregate of the sums computed as hereunder:—

(a) where the amount of income other than earned income, if any, included in the total income exceeds Rs. 10,000, a sum calculated on the difference between the amount of super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income, at the following rate, namely:—

(*i*) where the amount of the income other than the earned income, if any, included in the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000 — at the rate of 12·5%

Provided that the amount of surcharge payable under this clause shall in no case exceed one-eighth of the amount by which the income other than the earned income exceeds Rs. 10,000;

(*ii*) where the amount of income other than the earned income if any,included in the total income exceeds Rs. 25,000 but does not exceed Rs. 75,000; — at the rate of 15%

Provided that the surcharge payable under this clause shall in no case exceed the aggregate of the following sums, namely :—

(1) an amount calculated at the rate of twelve and a half per cent. on the amount of super-tax on an income of Rs. 25,000 ,if such income had been the total income (the income of Rs. 25,000 for this purpose being computed as if such income indcluded income from various sources in the same proportion as the total income of the person concerned);

(2) one-eighth of the amount by which the income other than the earned income exceeds Rs. 25,000;

(*iii*) where the amount of the income other than the earned income, if any, included in the total income exceeds Rs. 75,000; — at the rate of 17·5 %

Provided that the surcharge payable under this clause shall in no case exceed the aggregate of the following sums, namely :—

(1) an amount calculated as the rate of fifteen per cent. on the amount of super-tax on an income of Rs. 75,000,

if such income had been the total income (the income of Rs. 75,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the person concerned);

(2) one-eighth of the amount by which the income other than the earned income exceeds Rs. 75,000;

(b) where the earned income included in the total income exceeds Rs. 1,00,000, a sum calculated at ten per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income, and the amount of super-tax payable on a total income of Rs. 1,00,000.

Paragraph B

In the case of every local authority,—

Rate of super-tax

On the whole of the total income 16%

Surcharge on super-tax

The amount of super-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

Paragraph C

In the case of every association of persons being a co-operative society as defined in clause (19) of section 2 of the Income-tax Act,—

Rate of super-tax

(1) On the first Rs. 25,000 of total income	Nil.
(2) On the balance of total income	16%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

Paragraph D

In the case of every company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, (31 of 1956).

Rates of Super tax

On the whole of the total income 55%:

Provided that—

(i) a rebate at the rate of 37.5 per cent. on the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1964, has made the prescribed arrangements for

the declaration and payment within India of the dividends payable out of such profits in accordance with the provisions of section 194 of that Act; and

(b) is such a company as is referred to in section 108 of the Income-tax Act with a total income not exceeding Rs. 25,000;

(ii) a rebate at the rate of 35 per cent on so much of the total income as consists of profits and gains attributable to the business of generation and distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule; and at the rate of 30 per cent on the balance of the total income shall be allowed in the case of a company which satisfies condition (a) of the preceding clause and which is such a company as is referred to in section 108 of the Income-tax Act with a total income exceeding Rs. 25,000;

(iii) a rebate at the rate of 26 per cent on so much of the total income as consists of profits and gains attributable to the business of generation and distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule; and at the rate of 20 per cent. on the balance of the total income shall be allowed in the case of a company which satisfies condition (a) of clause (i) and which is not such a company as is referred to in section 108 of the Income-tax Act;

(iv) a rebate at the rate of 30 per cent. on so much of the total income as consists of royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern on or after the 1st day of April, 1961 and which has been approved by the Central Government; at the rate of 30 per cent. on so much of the total income as consists of fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 and which has been approved by the Central Government; and at the rate of 15 per cent. on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under any of the preceding clauses:

Provided further that—

(i) the amount of the rebate under clause (i) or clause (ii) or clause (iii) of the preceding proviso shall be reduced by the sum if any, equal to the amount or the aggregate of the amounts; as the case may be, computed as hereunder:—

(*a*) on the aggregate of the sums computed in the manner provided in clause (*i*) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance Act, 1963 (13 of 1963) as reduced by the amount, if any, which is deemed to have been taken into account, in accordance with clause (*ii*) of the said proviso, for the purpose of reducing the rebate mentioned in clause (*i*) of the said proviso to *nil*;	at the rate of 100%
(*b*) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital; and	at the rate of 12½ %

(c) in addition, in the case of a company referred to in clause (i) or clause (ii) or clause (iii) of the preceding proviso (being such an Indian company as is not referred to in section 108 of the Income-tax Act and whose business consists wholly in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power or any company as is referred to in section 108 of the said Act) which has declared or distributed to its shareholders during the previous year any dividends other than dividends on preference shares—

(A) in the case of a company which since the date of the commencement of its activities has declared or distributed any dividends for the first time during the previous year or any one of the four previous years immediately preceding such previous year—

on that part of the dividends other than dividends on preference shares which exceeds 10 per cent. of the paid-up capital.	at the rate of 7·5%

(B) in any other case—

on the whole amount of the dividends other than dividends on preference shares.	at the rate of 7·5%

(ii) where the sum arrived at in accordance with clause (i) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (i) or clause (ii) or clause (iii), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (a), (b) and (c) of clause (i) of this proviso as is sufficient, in that order, to reduce the rebate to nil shall be deemed to have been taken into account for the purpose:

Provided further that the super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand, shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been Rs. 25,000 (the income of Rs. 25,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) fifty-five per cent. of the amount by which its total income exceeds rupees twenty-five thousand.

Explanation.—For the purposes of this paragraph, where a part of the income of a company is not included in its total income because it is agricultural income, the amount declared or distributed as dividends (other than dividends on preference shares), the amount representing the face value of any bonus shares and the amount of any bonus issued to its share-holders shall each be deemed to be such proportion thereof as the sum specified in clause (a) bears to the sum specified in clause (b), such sums being—

(a) the average amount of the total income of the company in the five previous years in which it has been in receipt of taxable income immediately preceding the relevant previous year; and

(b) the average of the total profits and gains (excluding capital receipts) of the company for the five previous years referred to in clause (a) reduced by such allowances as may be admissible under the Income-tax Act but which have not been taken into account by the company in its profits and loss accounts for the said five previous years.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, (31 of 1956)

Rate of super-tax

On the whole of its profits and gains from life Insurance business	22·5%

PART III

Rates for deduction of tax at source in certain cases

In every case in which under the provisions of sub-section (2) of section 192 and section 193 to 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction, at the following rates:—

	Income-tax		Super-tax	
	Rate of income-tax	Rate of surcharge	Rate of super-tax	Rate of surcharge
1. In the case of a person other than a company—				
(*a*) where the person is resident—				
(*i*) on the income from dividends payable by an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India ;	18%	2%.	Nil.	Nil.
(*ii*) on any other income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government); .	25%	4·37%	Nil.	Nil.
(*b*) where the person is not resident in India—				
(*i*) on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government);	25%	4·37%	Super-tax and surcharge on super-tax in accordance with the provisions of clause (*b*) of sub-section (1) of section 113 of the Income tax Act.	

	Income-tax		Super-tax	
	Rate of income-tax	Rate of surcharge	Rate of super-tax	Rate of surcharge
(*ii*) on the income from interest payable on any security of the Central Government issued or declared to be income-tax free and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government.	Nil.	Nil.	Super-tax and surcharge on super-tax in accordance with the provisions of clause (*b*) of sub-section (1) of section 113 of the Income tax. Act.	

	Rate of income-tax	Rate of super-tax
2. In the case of a company—		
(*a*) where the company is either an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India,—		
(*i*) on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of State Government issued income-tax free, the income-tax whereon is payable by the State Government); and	25%	..
(*ii*) on the whole income (excluding dividends payable by an Indian company or any other company which has made the prescribed arrangements for the declaration and payment of dividends within India);	..	5%
(*b*) where the company is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India,—		
(*i*) on the income from dividends payable by an Indian company which is not such a company as is referred to in section 108 of the Income-tax Act and which is wholly or mainly engaged in the business of generation and distribution of electricity or of manufacture of production of any one or more of the articles specified in the list in Part IV of this Schedule;	15%	Nil.
(*ii*) on the income from dividends payable by any other Indian company or any company which has made the prescribed arrangements for the declaration and payment of dividends within India ; .	25%	Nil.
(*iii*) on the income from royalties payable by an Indian concern in pursuance of an agreement which is made by it with the Indian concern on or after the 1st day of April, 1961 and which has been approved by the Central Government ;	25%	25%
(*iv*) on the income from fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 and which has been approved by the Central Government ; . .	25%	25%
(*v*) on the income from interest payable on any security of the Central Government issued or declared to be income-tax free and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government; and	Nil.	40%
(*vi*) on any other income	25%	40%

PART IV

List of Articles

(1) Iron and steel (metal), ferro-alloys and special steels.

(2) Aluminium, copper, lead and zinc.

(3) Coal, lignite, iron ore and bauxite.

(4) Industrial machinery specified under the heading "8. Industrial Machinery", sub-heading "A. Major items of specialised equipment used in specific industries", of the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951).

(5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.

(6) Equipment for the generation, transmission and distribution of electricity, including transformers.

(7) Machine tools, precision tools, dies and jigs.

(8) Tractors and earth-moving machinery.

(9) Steel castings and forgings.

(10) Cement and refractories.

(11) Fertilisers.

(12) Paper and pulp.

(13) Tea, coffee and rubber.

(14) Component parts of the articles mentioned in items Nos (4), (5), (6) and (8), that is to say, such parts as are essential for the working of the machinery referred to in items aforesaid and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and are in complete finished form and ready for fitment.

THE SECOND SCHEDULE

(*See* section 3)

Rates of Annuity Deposits

(i) In the case of any depositor whose total income does not exceed Rs. 15,000. .. *Nil.*

(ii) In the case of any depositor whose total income exceeds Rs. 15,000 but does not exceed Rs. 20,000—

5 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed half the amount by which the total income exceeds Rs. 15,000.

(iii) In the case of a depositor whose total income exceeds Rs. 20,000 but does not exceed Rs. 40,000—

7½ per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at five per cent. on so much of the adjusted total income as does not exceed Rs. 20,000;

(b) one-half of the amount by which the total income exceeds Rs. 20,000.

(iv) In the case of a depositor whose total income exceeds Rs. 40,000 but does not exceed Rs. 70,000—

10 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at seven and a half per cent. on so much of the adjusted total income as does not exceed Rs. 40,000;

(b) one-half of the amount by which the total income exceeds Rs. 40,000.

(v) In the case of a depositor whose total income exceeds Rs. 70,000—
12½ per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at ten per cent. on so much of the adjusted total income as does not exceed Rs. 70,000;

(b) one-half of the amount by which the total income exceeds Rs. 70,000.

Explanation.—In this Schedule, "total income" means total income computed in the manner laid down in the Income-tax Act without making any allowance under section 280O of that Act.

THE THIRD SCHEDULE

(*See* section 56)

PART I

In the First Schedule to the Tariff Act,—

(i) in Item No. 28(34),—

(1) for the entry in the fourth column against sub-item (a), the entry "70 per cent. *ad valorem*" shall be substituted;

(2) for the entry in the fourth column against sub-item (b), the entry "80 per cent. *ad valorem*" shall be substituted; and

(ii) in Item No. 63(32),—

(1) for the entry in the fourth column against sub-item (a), the entry "Rs. 50·00 per tonne *plus* 25 per cent. *ad valorem*" shall be substituted;

(2) for the entry in the fourth column against sub-item (b), the entry "Rs. 84·00 per tonne *plus* 25 per cent. *ad valorem*" shall be substituted.

PART II

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7
In the First Schedule to the Tariff Act, for Item No. 8 (2), the following Item shall be substituted, namely :—						
"8(2)	Fruits, dried (salted and all other kinds) not otherwise specified—					
(*A*) Almonds—						
	(*a*) without shell . .	Preferential Revenue.	Rs. 430·00 per quintal.	..	Rs. 430·00 per quintal less 10 per cent. *ad valorem.*	..
	(*b*) in the shell—					
	(*i*) soft shell. . .	Preferential Revenue.	Rs. 250·00 per quintal	..	Rs. 250·00 per quintal *less* 10 per cent. *ad valorem.*	..
	(*ii*) hard shell . .	Preferential Revenue.	Rs. 140·00 per quintal.	..	Rs. 140·00 per quintal *less* 10 per cent. *ad valorem.*	..
(*B*) Dates, dry, excluding seedless—						
	(*a*) Shekra or Shakeria, Sakina and Brami.	Preferential Revenue.	Rs. 75·00 per quintal.	..	Rs. 75·00 per quintal *less* 10 per cent. *ad valorem.*	..
	(*b*) Kapkapa, Chharra, Chupchap, Sarki, Sori, Omani and Bhatni.	Preferential Revenue.	Rs. 50·00 per quintal.	..	Rs. 50·00 per quintal *less* 10 per cent. *ad-valorem.*	..
	(*c*) All other qualities .	Preferential Revenue.	Rs. 35·00 per quintal.	..	Rs. 35·00 per quintal *less* 10 per cent. *ad valorem.*	..

1	2	3	4	5	6	7
(*C*)	Dates, wet, excluding seedless, in bags, baskets, gunny cloth or matting bundles.	Preferential Revenue.	Rs. 15·00 per quintal.	..	Rs. 15·00 per quintal *less* 10 per cent. *ad-valorem.*	..
(*D*)	Pistachio nuts—					
	(*a*) with shell . . .	Preferential Revenue.	Rs. 200·00 per quintal.	..	Rs. 200·00 per quintal. *less* 10 per cent. *ad-valorem.*	..
	(*b*) without shell . .	Preferential Revenue	Rs. 500·00 per quintal.	..	Rs. 500·00 per quintal *less* 10 per cent. *ad-valorem.*	..
(*E*)	Raisins—					
	(*a*) Red, including Guldani and Lalmewa, in all packings and containers.	Preferential	Rs. 100·00 per quintal.	..	Rs. 100·00 per quintal. *less* 10 per cent. *ad-valorem.*	..
	(*b*) Black, including black Monacca, in all packings and containers.	Preferential Revenue.	Rs. 130 00 per quintal.		Rs. 130-00 per quintal *less* 10 per cent. *ad-valorem.*	..
	(*c*) All other sorts, including Monacca and Abjosh, in all packings. and containers.	Preferential Revenue.	Rs. 200·00 per quintal.	..	Rs. 200·00 per quintal. *less* 10 per cent. *ad-valorem.*	..
(*F*)	Other sorts. . . .	Preferential Revenue.	60 per cent. *ad valorem.*	..	50 per cent. *ad valorem.*	..

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to give effect to the financial proposals of the Central Government for the financial year 1964-65 and to provide for certain connected matters. The Bill, *inter alia*, proposes to make certain categories of assessees liable to annuity deposit. This is with a view to augment the resources of the nation for national development. The Notes on clauses explain the various provisions contained in the Bill.

T. T. KRISHNAMACHARI.

NEW DELHI;

The 29th February, 1964

Notes on clauses

Clause 2 prescribes the rates of income-tax, super-tax and surcharge thereon for the assessment year 1964-65 and also the rates at which tax is to be deducted at source from salaries, interest on securities, dividends and other income during the financial year 1964-65. In the case of individuals, Hindu undivided families, unregistered firms, associations of persons, etc., the slab structure and the basic rates of income-tax and super-tax applicable for the assessment year 1963-64 have been replaced by a new slab structure and rates of tax. The various surcharges on income-tax and super-tax (including the additional surcharge on income-tax) leviable for the assessment year 1963-64 have also been substituted by a single surcharge on income-tax and on super-tax for purposes of the Union which will be leviable where the earned income exceeds Rs. 1 lakh or where the unearned income exceeds Rs. 10,000.

In the case of registered firms also a single revised rate schedule of income-tax has been prescribed for all registered firms, irrespective of the number of partners in such a firm. However, the rate of Union surcharge on income-tax payable by registered firms remains the same as for the assessment year 1963-64.

In the case of companies, the rate of income-tax remains the same as for the assessment year 1963-64. However, companies which declare and pay their dividends outside India, *i.e.*, foreign companies will be entitled to a rebate of income-tax of 10 per cent. of the amount of dividends received by them from an Indian company in which the public is not substantially interested and which is carrying on the business of generation and distribution of electricity or is wholly or mainly engaged in the manufacture or production of any one or more of the articles specified in the list in Part IV of the First Schedule to the Bill.

Some changes have been made in the rates at which super-tax will be payable by companies. In the case of Indian companies and other companies which declare and pay dividends in India, the changes are, briefly, as follows. Companies in which the public are substantially interested and whose total income does not exceed Rs. 25,000 will be charged to super-tax at 17·5 per cent. as compared with the rate of 20 per cent. for the assessment year 1963-64. In the case of companies in which the public are substantially interested whose total income exceeds Rs. 25,000 the normal effective rate of super-tax will be 25 per cent. as for the assessment year 1963-64. However, if such a company derives any income from the generation and distribution of electricity or from the production of any one or more of the articles in the basic industries specified in Part IV of the First Schedule to the Bill, the super-tax payable by it in respect of such income will be 20 per cent. only. In the case of companies in which the public is not substantially interested, the effective rate of super-tax is proposed to be increased from 25 per cent. (which was applicable for the assessment year 1963-64) to 35 per cent. However, if any such company derives income from the generation and distribution of electricity or from the production of any of the articles specified in the list in Part IV of the First Schedule to the Bill, the super-tax payable on such income will be only 29 per cent. Further, in the case of companies other than those which are required to make a compulsory distribution of dividends under terms of section 104 of the Income-tax Act, a provision has been made for charging an extra amount of super-tax calculated at 7·5 per cent. of the whole amount of dividends *on equity capital*, distributed by them during the previous year relevant

to the assessment year 1964-65. However, in the case of a new company which since the commencement of its activities declared its first dividend not earlier than the period of five consecutive previous years (including the relevant previous year), this super-tax will be calculated only on that amount of the dividends which exceeds 10 per cent. of its paid up equity capital.

In the case of companies which have not made the prescribed arrangements for the declaration and payment of dividends within India, the rate of super-tax has been increased from 38 per cent. (applicable for assessment year 1963-64) to 40 per cent. However, it has been provided that on their income by way of royalties and fees for rendering technical services, received from an Indian concern under an agreement approved by the Central Government, the rate of super-tax will be only 25 per cent.

Some changes have also been made in the rates of deduction of tax at source, specified in Part III of the First Schedule to the Bill. In the case of shareholders who are resident in India, the rate of deduction of income-tax will be 20 per cent. as compared with 25 per cent. for the financial year 1963-64. In the case of companies, there will be no deduction of super-tax from their income by way of dividends, as it is proposed to introduce a provision in the Income-tax Act exempting inter-corporate dividends from super-tax.

The provision in the Finance Act, 1963 for a rebate of 10 per cent. of the income-tax and super-tax on income derived from the export of goods or merchandise outside India and also the rebate of income-tax and super-tax to manufacturers on 2 per cent. of their exports or sales in India for export is proposed to be continued. However, the second-mentioned concession would not apply in respect of export of certain articles such as arms and ammunition, photographic films, newsprint, etc., and would be newly extended to exports made after the 29th day of February, 1964 of non-jute textiles.

Clause 3 prescribes the rates at which annuity deposits in respect of the assessment year 1964-65 and advance annuity deposits for the financial year 1964-65 will be required to be made by individuals, Hindu undivided families, unregistered firms, associations of persons, etc. under the provisions sought to be introduced by clause 44 of the Bill.

Clause 4 seeks to amend clause (24) of section 2 of the Income-tax Act. These amendments are consequential to the amendments to the Income-tax Act under clauses 7 and 44 of the Bill.

Clause 5 seeks to omit the proviso to clause (b) of the Explanation to sub-section (1) of section 9 of the Income-tax Act. The effect of this will be that a non-resident who derives any income from purchasing goods in India and exporting them will not be liable to tax on such income.

Clause 6 seeks to amend section 10 of the Income-tax Act. The effect of these amendments will be as follows: A non-resident will be exempt from tax on his income from interest on such securities as have been approved in this behalf by the Central Government.

A foreign technician will be eligible for exemption from tax on his salary income even though his contract of service has been approved by the Central Government after the date of his arrival in India within a period of one year from such date.

Visiting professors and teachers of foreign nationality teaching in any university or educational institution in India under an approved programme will also be entitled to exemption from tax on their salary income under the same conditions as foreign technicians.

Hitherto, a non-resident could be exempted from tax on the interest received by him from an industrial undertaking in India in respect of loans or credit facilities granted by the non-resident to the said industrial undertaking for purchase of capital plant and machinery, etc. abroad, only if the full rate of interest stipulated in the agreement between the two parties was approved by the Central Government. The proposed amendment, will enable the grant of exemption to the non-resident where the Central Government has approved in this behalf a lower rate of interest than that which has been stipulated in the agreement. The amount of interest to be exempted will be the sum calculated at the lower rate of interest approved by the Central Government.

Assessees who derive income from a business of livestock breeding or poultry or dairy farming will be exempt from tax in respect of any such income assessable for the three assessment years 1965-66, 1966-67 and 1967-68.

Clause 7 seeks to amend section 28 of the Income-tax Act to provide that the value of any benefit or perquisite, whether convertible into money or not, received by an assessee from any person in exercise of his business or profession will be assessable as the assessee's income under the head "profits and gains of business or profession".

Clause 8 seeks to amend section 33 of the Income-tax Act. The effect of these amendments will be as follows: Assessees who acquire a second hand ship from a person not resident in India or import second hand machinery from a country outside India, for the purpose of their business, after 31st March, 1964, will, subject to certain conditions, be entitled to development rebate in respect of such assets at such rate or rates as may be prescribed by the Central Board of Direct Taxes in the Income-tax Rules. The Board is also authorised to lay down any other conditions for the grant of such development rebate in the said rules.

It will be open to the Central Government to direct by issue of a notification in the Official Gazette, that the deduction of development rebate shall not be admissible in respect of a ship acquired or machinery or plant installed after the period specified in the notification,—such period being not less than three years from the date of issue of the notification.

Clause 9 seeks to insert a new provision in section 37 of the Income-tax Act to the effect that any expenditure incurred by an assessee after 31st March, 1964 on advertisement, maintenance of any residential accommodation, travelling (including hotel expenses or allowances paid in connection with travelling) shall be allowed only to the extent and subject to such conditions as may be prescribed by the Central Board of Direct Taxes in the Income-tax Rules.

Clause 10 seeks to substitute sub-clause (iii) of clause (c) of section 40 of the Income-tax Act by a new provision. It provides for the disallowance in the assessment of a company, of any expenditure incurred by it after 29th February, 1964 on the provision of any perquisite for its employees to the extent such expenditure exceeds one-fifth of the salary of an employee. It has been provided that certain payments such as contributions by a company to an approved superannuation fund or

gratuity fund or to a recognised provident fund will not be taken into account in computing such expenditure.

Clause 11 seeks to insert a new section 44A in Chapter IV of the Income-tax Act, providing that in the case of a trade, professional or similar association which does not distribute any part of its income to its members, the amount of any deficit (excess of expenditure incurred for the advancement of the common interest of the members of the association concerned over receipts from the members) will be allowed to be deducted from the assessable income of the association to the extent of 50 per cent. of such income.

Clause 12 seeks to introduce a new provision in section 45 of the Income-tax Act under which an assessee who holds any equity shares as an investment and receives any bonus shares will be liable to be charged to income-tax under the head "Capital gains" in respect of such bonus shares, as if he had transferred the said shares at their fair market value after the expiry of 30 days from the date of issue of the said shares.

Clause 13 seeks to introduce a new provision in section 52 of the Income-tax Act providing that if in the opinion of the Income-tax Officer the fair market value of a capital asset as on the date of its transfer by an assessee exceeds the full value of consideration for it as declared by the assessee by an amount not less than 15 per cent. of such declared value, the capital gains in respect of such asset shall be computed with reference to such fair market value. Before taking action in accordance with this provision, the Income-tax Officer is required to obtain the approval of the Inspecting Assistant Commissioner of Income-tax concerned.

Clause 14 seeks to amend section 55 of the Income-tax Act. Under one of the law provisions (which is consequential to the amendment of section 45 of the Income-tax Act by clause 12 of this Bill), the 'cost of acquisition' of bonus shares in the case of an equity shareholder who transfers such shares after the expiry of 30 days from the date of their issue will (for the purpose of computing any capital gains arising on such transfer) be taken to be their fair market value as on the 31st day from the date on which the said shares were issued to him.

Under the other new provision, the 'cost of acquisition' to an assessee of any share received by him from a company in lieu of his original holdings on the reorganisation of its share capital, or conversion or reconversion of its stock or shares into shares or stock or conversion of one kind of shares into another kind, etc. will be calculated with reference to the cost to the assessee of the original shares or stock held by the assessee.

Clause 15 seeks to amend section 66 of the Income-tax Act. This amendment is consequential to the introduction by clause 19 of this Bill of a new section 87A in the Income-tax Act.

Clause 16 seeks to introduce a new section 69A in the Income-tax Act providing that if an assessee is not able to explain satisfactorily the source of any money, bullion, jewellery or valuable article found to be owned by him in any financial year, the money and the value of such jewellery, etc. may be deemed to be his income for such financial year.

Clause 17 seeks to amend section 86 of the Income-tax Act. The amendment is of a clarificatory nature.

Clause 18 seeks to amend section 87 of the Income-tax Act. One of the new provisions is that in the case of musicians, playwrights, artists, etc. the higher limits of the sums paid as life insurance premia, contributions to provident fund, etc. qualifying for rebate of tax will be applicable only to persons who have taken a life insurance policy prior to 1st March, 1964. In any other case, the usual limits laid down for individuals will apply.

Another provision is that the amount of the rebate of income-tax together with the amount of rebate of super-tax (sought to be provided under clause 22 of this Bill) in respect of sums paid by an assessee as life insurance premia, contributions to provident fund, etc., shall, cumulatively, be limited to 50 per cent. of the total amount of the sums qualifying for the rebate.

Clause 19 seeks to introduce a new section 87A in Chapter VIII-A of the Income-tax Act. It provides that a resident individual who is not a citizen of India and whose children (not above 21 years in age) are receiving education in a foreign country will be entitled to a rebate of income-tax on the amount spent by him on the education of such children. The amount qualifying for the rebate is limited to Rs. 4,000 (Rs. 2,000 for each such child up to two children) or 25 per cent. of the total income whichever is less.

Clause 20 seeks to amend clause (ii) of the *Explanation* to section 91 of the Income-tax Act. The amendment is of a clarificatory nature.

Clause 21 seeks to make two amendments to section 99 of the Income-tax Act. One of the amendments is of a clarificatory nature. The effect of the other amendment is that companies will not be liable to pay super-tax on any dividends received by them from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India.

Clause 22 seeks to introduce a new section 99A in Chapter XI-C of the Income-tax Act. This provides for the allowance of a rebate of super-tax to individuals and Hindu undivided families on so much of the sums paid by them as life insurance premia, contributions to a provident fund, deposits in the Post Office under the 'Cumulative Time Deposits' Scheme etc. which qualify for a rebate of income-tax under section 87 of the Income-tax Act.

Clause 23 seeks to make three amendments to section 104 of the Income-tax Act.

The first one of these is consequential to the amendment under clause 26 of this Bill. The next one excludes from the requirement of compulsory distribution of dividends such Indian companies (in which the public are not substantially interested) whose business consists wholly in the manufacture or processing of goods or in mining or the generation or distribution of electricity or any other form of power. The third one enables the Central Government to exempt (by issue of a notification in this behalf) any class of companies in which the public are not substantially interested from the requirement of compulsory distribution of dividends.

Clause 24 seeks to amend section 106 of the Income-tax Act. The amendment is consequential to the insertion of a new section 107A in the Income-tax Act under clause 26 of this Bill.

Clause 25 seeks to amend section 107 of the Income-tax Act. The amendment is consequential to the amendment under clause 26 of this Bill.

Clause 26 seeks to introduce a new section 107A in the Income-tax Act. This enables a company in which the public are not substantially interested to make an application to the Central Board of Direct Taxes for a reduction of the minimum amount of compulsory distribution of dividends required of it under section 104 of the Act, if the company considers that due to the current requirements for the development of its business, it would not be advisable or possible for it to distribute any dividend larger than that which has been declared or is proposed to be declared by it. The Central Board of Direct Taxes are authorised to reduce the minimum amount of compulsory distribution by an amount not exceeding 20 per cent of the statutory percentage of the distributable income of the company.

Clause 27 seeks to amend section 109 of the Income-tax Act. The amendments are consequential to the insertion of section 107A under clause 26, and the exclusion of Indian companies (in which the public are not substantially interested) engaged in the manufacture of processing of goods, or mining, etc. from the purview of section 104 (*vide* clause 23 of this Bill).

Clause 28 seeks to amend section 114 of the Income-tax Act. The effect of this is that in respect of long-term capital gains (*i.e.*, gains other than 'short-term' capital gains) relating to lands or buildings, tax will be charged in the case of assessees other than companies at 75 per cent. of the average rate of income-tax and super-tax applicable to their total income. In respect of other long-term capital gains, tax will be charged on such assessees at 50 per cent. of the average rate of income-tax and super-tax applicable to their total income.

Clause 29 seeks to amend section 115 of the Income-tax. The effect of this amendment is that in the case of a company whose total Income includes any long-term capital gains (*i.e.*, capital gains relating to capital assets held for more than one year), super-tax on long-term capital gains relating to any buildings or lands or any rights in buildings or lands will be chargeable at 15 per cent. and on any other long-term capital gains it will be chargeable at 5 per cent.

Clause 30 seeks to substitute the provisions of section 132 of the Income-tax Act. Under the new provisions, if the Commissioner of Income-tax has reason to believe (from information in his possession) that an assessee has failed to produce the books of account or documents required to be produced by him, or is not likely to comply with a requisition for the production of books of account or documents relevant for the proceeding under the Income-tax Act, or has money or any other articles disproportionate to his known sources of Income (particulars whereof would be relevant for proceedings under the Income-tax Act), he may then authorise the Inspecting Assistant Commissioner or the Income-tax Officer to make a search for any such books of account or documents in any premises and seize them and also to make an inventory of the articles or things (including moneys) referred to above.

Clause 31 seeks to introduce a new section 133A in the Income-tax Act, enabling the Income-tax Officer or any Inspector of Income-tax authorised by him in this behalf to enter an assessee's place of business

and to inspect any books of account and documents, to make extracts thereof and to place identification marks thereon.

Clause 32 seeks to omit section 137 of the Income-tax Act, which prohibits the disclosure of any information contained in the assessment records of an assessee.

Clause 33 seeks to substitute the provisions of section 138 of the Income-tax Act. Under the new provision, any member of the public may make an application to the Commissioner of Income-tax in the prescribed form, accompanied by the prescribed fee for the supply to him of information relating to any assessee. The Commissioner is authorised to supply the information asked for if he is satisfied that there are no circumstances justifying its refusal.

Clause 34 seeks to insert a new section 140A in the Income-tax Act, requiring assessees who have furnished their returns of income to pay the tax due on the basis of that return (as reduced by any tax paid previously) within one month from the date of furnishing the return. The liability to pay the tax on self-assessment basis arises only where the tax payable on the basis of the return exceeds five hundred rupees. If an assessee does not pay the tax within the said period, he will be liable to a penalty not exceeding 50 per cent. of the tax which was payable.

Clause 36 seeks to amend section 156 of the Income-tax Act. The amendment is consequential to the amendment sought to be made under clause 44 of this Bill.

Clause 37 seeks to amend section 209 of the Income-tax Act. The amendment is purely of a drafting nature.

Clause 38 seeks to amend section 246 of the Income-tax Act to provide an assessee the right of an appeal to the Appellate Assistant Commissioner against an order by the Income-tax Officer imposing a penalty for a default in payment of tax due on self-assessment or a default in respect of making an annuity deposit.

Clause 39 seeks to amend section 254 of the Income-tax Act to enable an assessee in whose case capital gains have been computed with reference to the fair market value of a capital asset as on the date of its transfer (*vide* clause 13 of this Bill) to have any dispute relating to the valuation referred to valuers for arbitration, at the stage of appeal before the Appellate Tribunal.

Clause 40 seeks to amend section 271 of the Income-tax Act to provide that where the income returned by an assessee is less than 90 per cent. of the assessed income, the assessee shall be deemed to have concealed his income or furnished inaccurate particulars thereof and be liable to penalty accordingly, unless he furnishes evidence to prove his *bona fides* in the matter.

Clause 41 seeks to amend section 277 of the Income-tax Act relating to punishment of a person on conviction for making a false statement in any declaration, etc. made in proceedings under the Income-tax Act. It substitutes for the existing provision for simple imprisonment for 6 months or a fine of Rs. 1,000 or both, a provision for rigorous imprisonment for a minimum term of 6 months (unless there are adequate reasons to the contrary recorded in the judgment) and a maximum term of two years.

Clause 42 seeks to amend section 278 of the Income-tax Act relating to punishment of a person on conviction for abetment of a false return, etc. on the same lines as stated in the notes on clause 41 of this Bill.

Clause 43 seeks to omit section 280 of the Income-tax Act relating to punishment of a public servant for disclosing any particulars, the disclosure of which is prohibited by section 137 of the Act. This is consequential to omission of section 137 of the Act under clause 32 of this Bill.

Clause 44 seeks to introduce a new Chapter XXII-A in the Income-tax Act, containing provisions regarding annuity deposits by *resident* assessees. The persons liable to make the annuity deposits will be individuals who are citizens of India, Hindu undivided families, unregistered firms, associations of persons (other than a company or a co-operative society) and artificial juridical persons excluding corporations established by a Central, State or Provincial Act. Annuity deposits will be required to be made, compulsorily, in respect of the assessment year 1964-65 and subsequent assessment years. Assessees will also be required to make deposits in advance in each financial year in respect of the income assessable for the assessment year next following that financial year. The amount of the annuity deposits will be calculated on the "adjusted total income" of an assessee at the rates prescribed in the Second Schedule to this Bill. The term 'adjusted total income' means the total income reduced by arrears of salaries, balances in a provident fund transferred to the credit of an employee participating in a recognised provident fund and share of income from an unregistered firm or an association of persons where such firm or association is liable to make an annuity deposit. In addition, in respect of the assessment year 1964-65, the full amount of salary income earned during the previous year will be excluded in computing the aforesaid 'adjusted total income' for determining the amount of the annuity deposit required to be made for the said assessment year. This is because salary income earned during the financial year 1963-64 is assessable for the assessment year 1964-65 under the provisions of the Finance Act, 1963 [*vide* sub-clause (2) of clause 2 of this Bill].

Under the provisions of the Second Schedule to this Bill, an assessee whose total income does not exceed Rs. 15,000 is not liable to make any deposit.

Annuity deposits will be repayable to assessees in 10 equated annual instalments together with interest thereon at the rate or rates notified by the Central Government in the Official Gazette.

The amount of the annuity deposit which an assessee is liable to make for an assessment year will be allowed as a deduction in computing his total income under the Income-tax Act for that assessment year. The amount of annuity due to a depositor in any year will be included in his total income for that year.

In respect of income assessable for the assessment year 1964-65, the deposits are required to be made latest by the 31st March, 1965. Advance annuity deposits are required to be made within the time allowed by the Income-tax Officer in the notice issued by him to the assessee in this behalf.

In deducting tax at source from salary income, the calculation will be made after deducting from such income the amount of annuity deposit which the assessee is liable to make.

If annuity deposits are not made within due time, the assessee will be liable to a penalty not exceeding 50 per cent. of the amount which he was liable to deposit. Any arrears of this deposit are liable to be recovered under the provisions of the Income-tax Act like any arrears of tax.

The Central Government has been empowered to frame a scheme making detailed provisions for the implementation of the scheme of annuity deposits. The scheme will, *inter alia*, contain provisions as to the manner in which and intervals at which annuities shall be paid, the authorities by or through whom deposits will be collected or by whom annuities may be issued, etc.

Clause 45 seeks to substitute the provisions of section 287 of the Income-tax Act. It enables the Central Government to publish the names of any assessees or any particulars relating to assessment proceedings in their case if it considers it necessary or expedient, in the public interest, to do so. It provides that such publication as respects imposition of a penalty or a conviction for an offence connected with proceedings under the Income-tax Act, can be made only after the expiry of the time for filing or the disposal of the first appeal filed against such penalty or conviction.

Clause 46 seeks to amend section 293 of the Income-tax Act. This amendment is of a drafting nature.

Clause 47 seeks to amend section 295 of the Income-tax Act which enables the Board to frame rules for carrying out the purposes of the Income-tax Act. The amendment is consequential to the proposed amendment to section 37 of the Income-tax Act under clause 9 of this Bill.

Clause 48 seeks to omit the Fifth Schedule to the Income-tax Act. This is consequential to the proposed amendment to section 99 of the Income-tax Act exempting companies from super-tax on their income from dividends (*vide* clause 21 of this Bill).

Clause 49 seeks to amend the Estate Duty Act, 1953.

Sub-clause (a) seeks to amend section 5A of the Act. The effect of this amendment is that estate duty will be leviable in respect of agricultural lands situated in the territories comprised in the State of Orissa. The amendment is being made in view of the Resolution dated 23rd September, 1963 passed by the State Legislature under terms of article 252 of the Constitution authorising the Parliament to regulate matters specified in the Estate Duty Act in relation to agricultural lands situated in the State of Orissa. The amendment will take effect from 23rd September, 1963.

Sub-clauses (b) and (c) seek to amend sections 33 and 34 of the Act. These amendments will have the effect of exempting from estate duty the principal value of one house or part of a house exclusively used by the deceased for his residence. If such house is situated in a place with a population exceeding 10,000, the amount to be excluded under these provisions from the principal value of the estate of the deceased will be limited to Rs. 1 lakh.

Sub-clause (d) seeks to amend section 78 of the Act. This amendment is consequential to the amendment under sub-clause (e).

Sub-clause (e) seeks to substitute section 80 of the Act by two sections, namely, sections 80 and 80A. The effect of this amendment is that the prohibition on the disclosure of information contained in the records of estate duty proceedings under the existing section 80 of the Act will be abolished. Any member of the public who makes an application to the Controller for information relating to any assessment made under the Act will be enabled to obtain the information if the Controller is satisfied that there are no circumstances justifying its refusal. The Central Government will also be enabled to publish the names of any accountable persons and any other particulars relating to any proceedings under the Act if it considers such publication to be necessary or expedient in the public interest. However, the publication under this provision in respect of any penalty imposed under the Act can be made only after the expiry of the time for making an appeal to the Appellate Controller or after the disposal of an appeal presented before him, as the case may be.

Sub-clause (f) seeks to substitute the rate schedule of estate duty contained in Part I of the Second Schedule to the Act by a new rate schedule.

Clause 50 seeks to amend the Wealth-tax Act, 1957.

Sub-clause (a) seeks to exempt from wealth-tax the value of one house or part of a house belonging to the assessee and exclusively used by him for residential purposes. If such house is situated in a place with a population exceeding 10,000 and the value thereof exceeds Rs. 1 lakh, the amount to be exempted will be limited to Rs. 1 lakh.

Sub-clause (b) seeks to omit section 42 of the Act which prohibits the disclosure of information contained in any record of proceedings under the Act.

Sub-clause (c) seeks to substitute section 42A of the Act by a new provision enabling the Central Government to publish the name of any assessees and any particulars relating to any proceedings under the Act in respect of such assessees if it considers it necessary or expedient in the public interest to do so. However, the publication of any information as to any penalty imposed or any conviction for any offence relating to any proceedings under the Act can be made only after the expiry of the time-limit for making the first appeal or the disposal of the first appeal, as the case may be.

This clause also seeks to substitute section 42B of the Act by a new provision enabling the Commissioner to supply to any member of the public at his request any information relating to any assessee in respect of any assessment made under the Act, if the Commissioner is satisfied that there are no such circumstances justifying the refusal of such information.

Sub-clause (d) seeks to amend section 43 of the Act. The amendment is consequential to the amendment under sub-clause (c).

Sub-clause (e) seeks to substitute the rate schedules of wealth-tax contained in Part I of the Schedule to the Wealth-tax Act by new rate schedules for individuals and Hindu undivided families.

Clause 51 seeks to amend the Expenditure-tax Act, 1957.

Sub-clause (i) seeks to omit some of the provisions contained in section 5 of the Act relating to exemptions of certain types or items of expenditure from Expenditure-tax.

Sub-clause (ii) seeks to amend section 6 of the Act relating to the deductions to be made in computing the taxable expenditure. Some of the items of deductions under this section, such as expenditure on marriages and the basic allowance admissible to individuals and Hindu undivided families are sought to be omitted.

Sub-clause (iii) seeks to omit section 38 of the Act which prohibits the disclosure of information contained in the record of any proceedings under the Expenditure-tax Act.

Sub-clause (iv) seeks, *inter alia*, to substitute the provisions contained in section 38A of the Act by new provisions enabling the Central Government to publish the names of any assessees or any particulars relating to any proceedings in their cases under the Act if it considers it necessary or expedient in the public interest to do so. Such a publication in respect of any penalty imposed or any conviction for any offence under the Act can be made only after the expiry of the time limit for filing the first appeal or the disposal of the first appeal, as the case may be.

It also seeks to substitute the provisions contained in section 38B of the Act by a new provision enabling the Commissioner to supply to any member of the public, at his request, any information relating to any assessee in respect of any assessment made under the Act. Such information will be supplied if the Commissioner is satisfied that there are no circumstances justifying its refusal.

Sub-clause (v) seeks to amend section 39 of the Act. This amendment is consequential to the amendment under sub-clause (iv).

Sub-clause (vi) seeks to substitute the rate schedule of expenditure-tax contained in the Schedule to the Act by a new rate schedule. For the assessment years 1964-65 and 1965-66, the maximum rate of expenditure-tax will be 15 per cent. and it will be attracted on taxable expenditure exceeding Rs. 72,000. From the assessment year 1966-67 onwards, the maximum rate will be 20 per cent. which will be attracted on taxable expenditure exceeding Rs. 84,000. Under the revised rate schedule the first Rs. 36,000 of taxable expenditure will not be chargeable to Expenditure-tax. This exemption takes the place of the basic allowance available to individuals and Hindu undivided families under clause (h) of section 6(1) of the Act which is sought to be withdrawn by the amendment under sub-clause (ii) above.

Clause 52 seeks to amend the Gift-tax Act, 1958.

Sub-clause (a) seeks to amend clause (viii) of section 5(1) of the Act. The effect of this is that the exemption in respect of gifts by an individual to his or her spouse will be reduced from the existing maximum of Rs. 1 lakh in value in the aggregate in one or more previous years to Rs. 50,000.

Sub-clause (b) seeks to insert a new section 6A in the Act. The effect of this is that where an assessee has made taxable gifts to the same donee during the relevant previous year and during any one or more of the four previous years immediately preceding such previous year, the value of the taxable gifts made to the same donee during the said four years will be aggregated with the value of the taxable gifts

made by the assessee during the relevant previous year. The value of taxable gifts made to the same donee in the earlier years before 1st April, 1963 will be taken into account in the assessment of the assessee only for rate purposes. Taxable gifts made to the same donee in the earlier years after 1st April, 1963 will be taken into account both for rate purposes and charging Gift-tax on the assessee for the relevant assessment year, but any Gift-tax paid by the assessee for any earlier assessment year in respect of the value of such taxable gift to the same donee will be allowed as a deduction in computing the assessee's liability to Gift-tax.

Sub-clause (c) seeks to amend sub-section (2) of section 32 of the Act relating to the charging of simple interest at 4 per cent. per annum from an assessee who fails to pay the gift tax demanded from him during the period allowed in the notice of demand. The effect of the amendment is that if amount on which interest was payable under the aforesaid sub-section has been reduced on an appeal, reference or revision or an order of rectification of a mistake, the interest payable by the assessee shall be reduced accordingly.

Sub-clause (d) seeks to amend sub-section (5) of section 34 of the Act. This amendment is of a drafting nature.

Sub-clause (e) seeks to omit section 41 of the Act which prohibits the disclosure of information contained in any record of any proceedings relating to gift-tax.

Sub-clause (f) seeks, *inter-alia* to substitute section 41A of the Gift-tax Act by a new provision, enabling the Central Government to publish the names of any assessees and any particulars relating to any proceeding under this Act in respect of such assessees if it considers it necessary or expedient in the public interest to do so. However, such publication as to any penalty imposed or any conviction for any offence connected with any proceedings under this Act can be made only after the expiry of the time limit for filing the first appeal against the penalty or conviction or of the disposal of the first appeal, as the case may be.

It also seeks to substitute section 41B of the Act by a new provision enabling the Commissioner to supply to any member of the public at his request any information relating to any assessee in respect of any assessment made under the Act, if the Commissioner is satisfied that there are no circumstances justifying the refusal of such information.

Sub-clause (g) seeks to amend section 42 of the Act. This amendment is consequential to the amendment under sub-clause (f).

Sub-clause (h) seeks to substitute the Schedule to the Act containing the rate schedule of Gift-tax by a new rate schedule.

Clause 53 seeks to revive the levy of expenditure-tax under the Expenditure-tax Act, 1957 with effect from the 1st April, 1964.

Clause 54 seeks to amend, retrospectively, the provision contained in paragraph A of Part I of the First Schedule to the Finance Act, 1963 relating to marginal relief in respect of the levy of additional surcharge on income-tax.

Clause 55 seeks to provide that super profit tax under the Super Profits Tax Act, 1963, shall not be charged for any assessment year commencing on or after 1st April, 1964 in respect of the chargeable profits of any company.

Clause 56, read with the Third Schedule, seeks to increase the basic import duties on certain items. The changes are:—

(i) the duty on caustic soda is proposed to be raised from 40 per cent. (Standard) and 30 per cent. (Preferential) to 80 per cent. (Standard) and 70 per cent. (Preferential). The intention is to restore the incidence of duty which was reduced with effect from 1st September, 1963 because of a reduction in the tariff value;

(ii) the duty on high carbon or spring steel wire is proposed to be raised by 20 per cent. *ad valorem* as a measure of assistance to the indigenous manufacturers; and

(iii) in the case of fruits dried (salted and all other kinds), not otherwise specified, specific rates of duty are being proposed for the major varieties, while maintaining the preferential margin of 10 per cent. This will facilitate their assessment to duty. As regards other varieties, the duty is proposed to be raised from 50 per cent. (Standard) and 40 per cent. (Preferential) to 60 per cent. (Standard) and 50 per cent. (Preferential).

Clause 57 seeks to continue up to the 31st day of March, 1965 the existing surcharge on customs duties.

Clause 58 seeks to continue up to the 30th day of April, 1965 the existing provision for the levy of a regulatory duty of customs.

Clause 59 seeks to maintain for another year the *status quo* in regard to commitments under the General Agreement on Tariffs and Trade.

Clause 60—

Sub-clause (1) (i) seeks to make certain changes in the definition of manufacture.

Sub-clause (1) (ii) seeks to bring certain operations in relation to cotton yarn under excise control.

Sub-clause (2) (a) seeks to modify the rates of duty on certain value categories of cigarettes.

Sub-clause (2) (b) seeks to raise the rate of duty on 'Dispersed organic pigments' ordinarily used in textile printing.

Sub-clause (2) (c) seeks to levy duty on 'Sodium silicate'.

Sub-clause (2) (d) makes certain changes in the tariff description of the item relating to Cosmetics and toilet preparations.

Sub-clause (2) (e) seeks to reduce the number of sub-items under this item to two and also to make consequential changes in the existing rates of duty.

Sub-clause (2) (f) seeks to recast the tariff description of the Item relating to Plastics to make its scope more precise.

Sub-clause (2) (g) seeks to reduce the number of sub-items from ten to four and to re-group the varieties of paper and board accordingly.

Sub-clause (2) (h) seeks to raise the rate of duty on rayon and synthetic fibres and yarn.

Sub-clause (2) (i) seeks to re-define cotton yarn and to raise the rate of duty thereon.

Sub-clause (2) (j) seeks to increase the rate of duty on worsted woollen yarn of higher counts.

Sub-clause (2) (k) seeks to make some changes in the tariff description of Item 25 relating to Iron making it more comprehensive and also to raise the duty thereon.

Sub-clause (2) (l) seeks to modify the tariff description of Steel Ingots making it more comprehensive and also to raise the rate of duty thereon.

Sub-clause (2) (m) seeks to make some changes in the tariff description and re-grouping of the flat products of Iron and Steel and to increase the duty on semi-finished steel and manufactured steel in the form of bars, rods, plates, sheets, etc.

Sub-clause (2) (n) seeks to make the tariff description of Item 27 more comprehensive by including therein extruded shapes and sections of Aluminium.

Sub-clause (2) (o) seeks to make some changes in the tariff description of electric wires and cables assessable at the higher rate.

Sub-clause (2) (p) seeks to amend Item 34 providing for a separate sub-item for Tractors and clarifying that certain specialised material handling equipment will pay duty only on the chassis.

Sub-clause (2) (q) seeks to make some changes in the tariff description of Item 36 relating to Footwear.

Clause 61 seeks to levy a special duty of excise up to the 31st day of March, 1965, on certain goods chargeable with a duty of excise under the Central Excises Act.

Clause 62 proposes to re-enact up to the 30th day of April, 1965, the power to levy a regulatory duty of Excise at the rate of 15 per cent. of the value of the goods.

Clause 63 like section 29 of the Finance Act, 1963, provides that salt shall be duty free for another year

Clause 64 seeks to amend the definition of the terms 'Narcotic drug' and 'Opium' so as to make it self-contained for the purpose of levy of duty under the Medicinal and Toilet Preparations (Excise Duties) Act. It also seeks to replace the existing Schedule to this enactment so as to prescribe higher rates of duty for Allopathic preparations not containing known active ingredients in therapeutic quantities and which are capable of being consumed as ordinary alcoholic beverages in order to treat them on par with certain similar Ayurvedic preparations and to charge to duty all medicinal preparations containing opium, Indian hemp or other narcotic drugs irrespective of whether they are patent or proprietary or not.

Clause 65.—Following the amendment in clause 54 regarding the amount of additional surcharge payable for 1963-64, this clause provides for the refund of the Compulsory Deposit in excess of the additional surcharge payable for that year.

It also allows the option to claim a refund of the Compulsory Deposit relating to the advance tax paid in 1963-64 for the assessment year 1964-65.

FINANCIAL MEMORANDUM

INCOME-TAX

Some of the provisions contained in the Finance Bill, 1964 will result in an increase in the workload on the Income-tax Department. Instances of these provisions are the proposed introduction of the Annuity Deposit Scheme in the case of individuals, Hindu undivided families, unregistered firms, etc. whose total income exceeds Rs. 15,000 charging of tax on capital gains in respect of bonus shares on actual basis, amendment of certain provisions of the Income-tax with a view to strengthening the existing machinery for countering tax evasion, the re-introduction of the levy of expenditure-tax and the reduction in the exemption limit from Rs. 2 lakhs and Rs. 4 lakhs to Rs. 1 lakh and Rs. 2 lakhs in the cases of individuals and Hindu undivided families respectively for the purpose of levy of wealth-tax.

The aforesaid measures will necessitate the employment of an additional number of officers and other staff. The expenditure on this account together with the incidental expenses on administration is estimated at about Rs. 10 lakhs as indicated herein below:

Requirement of personnel and finance:

	No.	Annual emoluments	Cost
			Rs.
I. *Officers*—			
Commissioner of Income-tax	1	1 × Rs. 20,400	20,400
Assistant Commissioners	5	5 × Rs. 14,400	72,000
Income-tax Officers (Cl. I)	40	40 × Rs. 5,400	2,16,000
II. *Staff*—			
Inspectors	20	20 × Rs. 2,880	57,600
Supervisors	5	5 × Rs. 4,320	21,600
Head Clerks	23	23 × Rs. 3,000	69,000
Stenographers	6	6 × Rs. 1,800	10,800
Upper Division Clerks	170	170 × Rs. 1,800	3,06,000
Steno-typists	40	40 × Rs. 1,680	67,200
Lower Division Clerks	53	53 × Rs. 1,500	79,500
III. *Incidental expenses*—			
Incidental expenses including Class IV Staff			1,00,000
		TOTAL	10,20,100
		or say	10,00,000

CENTRAL EXCISE

The Bill seeks to bring certain operations like sizing of cotton yarn with the aid of power or wrapping or winding it on beams, cones, pirns, bobbins, etc. under excise purview. It also seeks to enhance the surcharges leviable on certain verieties of cotton fabrics on account of the different processes undergone by them. These and certain other changes would mean some addition to the volume of work. Further, the Bill seeks to levy a fresh duty on Sodium Silicate of which there are upwards of one hundred factories, all of which would have to be brought under excise control.

All this will necessitate the employment of some additional staff. The increase in staff together with incidental expenses of administration is estimated to cost Rs. 4 lakhs.

Requirements of personnel and finance:

	No.	Annual emoluments	Cost
		Rs.	Rs.
A. Officers—			
1. Deputy Collectors	2	2 × 15,000	30,00
2. Assistant Collectors	4	4 × 8,880	35,520
3. Superintendents—			
Class I	4	4 × 8,880	35,520
Class II	4	4 × 7,056	28,224
B. Staff—			
Dy. Supdts. (Executive)	20	20 × 5,775	1,15,500
Inspectors	20	20 × 3,746	74,920
Dy. Supdts. (M)	4	4 × 4,710	18,840
Steno-typists	10	10 × 2,044	20,440
C. Incidental expences including Class IV, contingencies, etc.			40,000
		TOTAL	3,98,964
		or Rs.	4 lakhs.

MEMORANDUM REGARDING DELEGATED LEGISLATION

New section 280W proposed to be inserted by clause 44 provides that the Central Government shall, by notification in the Official Gazette, frame one or more schemes to be called annuity deposit scheme or schemes in relation to annuity deposits. The various matters which among others may be provided for in the scheme have been specified in items (a) to (g) of sub-section (2) of that new section. Clause (dd) of sub-section (2) of section 295 inserted by clause 47 empowers the Board to determine the extent to, and the conditions subject to, which any expenditure referred to in sub-section (3) of section 37 may be allowed.

The aforesaid matters are matters of procedure and administrative detail. It is hardly practicable for these matters of detail or procedure to be provided in the Bill itself. The delegation of legislative power is of a normal character.

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to give effect to the financial proposals of the Central Government for the financial year 1964-65.

The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(Shri T. T. Krishnamachari, Minister of Finance.)

INCOME-TAX AND SUPER TAX.

I. RATES FOR THE ASSESSMENT YEAR 1964-65 ON INCOME OTHER THAN CAPITAL GAINS.

1. *Assessees other than companies*

(a) *Individuals, Hindu undivided families, unregistered firms and associations of persons etc.*

(i) *Income-tax and super-tax.*—It is proposed to substitute the structure of income slabs and the basic rates of income-tax and super-tax applicable for the assessment year 1963-64 by a simplified slab structure and revised rates of income-tax and super-tax.

(ii) *Surcharges on income-tax and super-tax.*—It is proposed to abolish the various surcharges on income-tax and super-tax (including the additional surcharge on income-tax) leviable for the assessment year 1963-64 and to impose a single surcharge each on income tax and super-tax, for purposes of the Union.

No surcharge will be leviable in respect of earned income where such income does not exceed Rs. 1 lakh. Where the earned income exceeds Rs. 1 lakh, surcharge will be leviable on the income-tax and super-tax chargeable on the excess amount at the rate of 10 per cent.

In respect of unearned income, surcharge will be leviable only if such income exceeds Rs. 10,000. For unearned income between Rs. 10,000—25,,000, the rate of this surcharge will be 12.5 per cent of the income-tax and super-tax payable by the assessee in respect of the whole unearned income (subject to marginal relief); between Rs. 25,001—75,000, the rate will be 15 per cent. and above Rs. 75,000, it will be 17·5 per cent.

Annuity deposits.—It is proposed to provide that resident assessees other than registered firms, local authorities and companies shall be liable to make a deposit named 'annuity deposit', compulsorily, in respect of assessment year 1964-65 and subsequent assessment years.

The persons liable to make annuity deposits will be individuals who are citizens of India, Hindu undivided families, unregistered firms, associations of persons (other than co-operative societies) and artificial juridical persons excluding corporations established by a Central, State or Provincial Act.

The amount of the annuity deposits will be calculated on the 'adjusted total income' of the assessee at the rate prescribed under clause 3 of the Finance Bill. An assessee whose total income includes any gratuity may, at his option deposit an additional amount of 50 per cent of such gratuity. Musicians, authors, artists, playwrights may also, at their option deposit an additional amount of 15 per cent of their income.

The 'adjusted total income' of an assessee will be arrived at by deducting from the total income, any past arrears of salary, balances in provident fund transferred to the credit of an employee participating in recognised provident fund, and any share of income from an unregistered firm or association of persons, where such firm or association is liable to make an annuity deposit. For the assessment year 1964-65 any salary income earned during the financial year 1963-64 will also the excluded from the total income for determining the amount of annuity deposit required to be made in respect of that assessment year. (This is because

salary income earned during the financial year 1963-64 is assessable for the assessment year 1964-65 under the provisions of the Finance Act, 1963).

Under the rate schedule of annuity deposits (*vide* the Second Schedule to the Bill), the liability to make annuity deposits arises when the total income exceeds Rs. 15,000. The rates of annuity deposits are 5 per cent in the case of an assessee whose total income is between Rs. 15,001—20,000; 7·5 per cent between Rs. 20,001—40,000; 10 per cent between Rs. 40,001—70,000 and 12·5 per cent over Rs. 70,000.

The amount of annuity deposit which an assessee is liable to make for an assessment year will be allowed as a deduction in computing his assessable income for that assessment year.

The deposits will be repayable in ten annual equated instalment of principal and interest at the rate notified by the Central Government in the Official Gazette. The annuity (both principal and interest) will be chargeable to tax as the income of the depositor for the year in which it is due to be paid.

Annuity deposits will be required to be made in advance during each financial year in respect of the assessee's income assessable for the assessment year next following that financial year. In the case of existing assessees who are liable to make deposits, notices for making advance deposits will be issued by the Income-tax Officer on the basis of the latest completed regular assessment of the assessee. The amount can be reduced if the assessee estimates that his current income would be less than the income on the basis of which the Income-tax Officer has issued the notice for advance deposit. New assessees who may be liable to make a deposit will be required to send an estimate of their total income and the amount which they are liable to deposit to the Income-tax Officer concerned before 1st March, and to make the deposit by the 15th March at the latest.

In calculating the advance tax payable under the Income-tax Act, the advance annuity deposit which an assessee is liable to make will be deducted from his income subject to payment of advance tax. Likewise, in calculating the amount of tax required to be deducted at source from salary income, the amount of annuity deposit calculated in respect of that income at the rates prescribed in the Finance Act will be deducted, whether the deposit has actually been made or not.

In respect of the income assessable for the assessment year 1964-65, annuity deposits are required to be made at the time when the tax is payable, but not later than the 31st March, 1965 in any case.

Any arrear dues of annuity deposit are recoverable like arrears of taxes under the provisions of the Income-tax Act. If a person fails to make the annuity deposit in due time, he will be liable to the imposition of a penalty not exceeding 50 per cent of the amount he was liable to deposit.

[Clauses 3 and 44].

The effect of the revision of the rate structure of income-tax and super-tax, replacement of the surcharges applicable for the assessment year 1963-64 by a single surcharge on income-tax and super-tax and the introduction of the annuity deposit scheme will be that there will be a reduction in the amount of tax payable at most levels of income.

***Tax** (Income-tax, Super-tax and surcharge) payable by a married individual with more than one child.*

Income	Income wholly earned				Wholly unearned income		
	1963-64		1964-65		1963-64	1964-65	
	Salaries	Other than Salaries	Income- including salaries		Tax	Tax	Annuity deposit
	Tax	Tax	Tax	Annuity deposit			
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,000	241	242	84	..	248	84	..
10,000	930	940	709	..	1,006	709	..
15,000	1,881	1,907	1,584		2,068	1,782	..
20,000	3,270	3,322	2,384	1,000	3,627	2,682	1,000
25,000	5,300	5,390	3,834	1,875	5,935	4,313	1,875
40,000	12,979	13,224	10,340	3,000	14,698	11,891	3,000
70,000	33,588	34,270	26,590	7,000	38,364	30,578	7,000
1,00,000	56,625	57,789	44,615	12,500	64,815	52,423	12,500
2,00,000	1,40,031	1,42,826	1,15,865	25,000	1,53,075	1,29,532	25,000

(b) *Registered firms.*

A single revised rate schedule of income-tax has been prescribed for all registered firms irrespective of the number of partners in such a firm. However, the rate of Union surcharge on income-tax payable by registered firms remains the same as for the assessment year 1963-64.

2. *Companies*

Income-tax.—In the case of companies the rate of income-tax remains the same as for the assessment year 1963-64. However, companies which declare and pay their dividends outside India, *i.e.*, foreign companies will be entitled to a rebate of income-tax of 10 per cent of the amount of dividends received by them from an Indian company in which the public are not substantially interested and which is carrying on the business of generation and distribution of electricity or is wholly or mainly engaged in the manufacture or production of any one or more of the articles specified in the list in Part IV of the First Schedule to the Bill.

Super-tax.—Some changes have been made in the rates at which super-tax will be payable by companies.

In the case of Indian companies and other companies which declare and pay dividends in India, the changes are, briefly, as follows:—

Companies in which the public are substantially interested and whose total income does not exceed Rs. 25,000.

Such companies will be charged to super-tax at 17·5 per cent as compared with the rate of 20 per cent for the assessment year 1963-64.

Companies in which the public are substantially interested and whose total income exceeds Rs. 25,000.

In the case of such companies, the normal effective rate of super-tax will be 25 per cent as for the assessment year 1963-64. However, if such

a company derives any income from the generation and distribution of electricity or from the production of any one or more of the articles in the basic industries specified in Part IV of the First Schedule to the Finance Bill the super-tax payable by it in respect of such income will be 20 per cent only.

Companies in which the public are not substantially interested.

In the case of such companies the effective rate of super-tax is proposed to be increased from 25 per cent (which was applicable for the assessment year 1963-64) to 35 per cent. However, if any such company derives income from the generation and distribution of electricity or from the production of any of the articles specified in the list in Part IV of the First Schedule to the Bill, the super-tax payable on such income will be only 29 per cent.

Levy of extra amount of super-tax with reference to distribution of dividends on equity capital.

In the case of companies *other than those which are required to make a compulsory distribution of dividends* under terms of section 104 of the Income-tax Act, a provision has been made for charging an extra amount of super-tax calculated at 7.5 per cent of the whole amount of *dividends on equity capital* (and not dividends on preference shares) distributed by them during the previous year relevant to the assessment year 1964-65. However, in the case of a new company which since the commencement of its activities declared its first dividend not earlier than the period of five consecutive previous years (including the relevant previous year), this super-tax will be calculated only on that amount of the dividends which exceeds 10 per cent of its paid up *equity* capital.

Companies which have not made the prescribed arrangements for the declaration and payment of dividends within India.

In the case of such companies, the rate of super-tax has been increased from 38 per cent (applicable for the assessment year 1963-64) to 40 per cent. However, it has been provided that on their income by way of royalties and fees for rendering technical services, received from an Indian concern under an agreement approved by the Central Government, the rate of super-tax will be only 25 per cent.

3. *Export incentive*

It is proposed to continue for the assessment year 1964-65 the provision in the Finance Act, 1963 for the tax concessions in relation to exports of goods or merchandise outside India, *viz.*, the rebate of 10 per cent of the tax payable on income from exports and the rebate of tax to manufacturers on 2 per cent of their exports, or sales in India to a person who exports the goods outside India. However, the second mentioned concession is proposed to be newly extended to exports made after 29th February, 1964 of non-jute textiles and to be discontinued in respect of certain articles such as arms and ammunition, photographic films, newsprint etc.

[Clause 2 and Parts I and II of the First Schedule].

II. Rates for deduction of income-tax at source from interest on securities etc.

Some changes have been made in the rates of deduction of tax at source from interest on securities etc. The proposed rates are specified in Part III of the First Schedule.

Shareholders (other than companies) who are resident in India.—In their case the rate at which income-tax is to be deducted at source is proposed to be fixed at 20 per cent as compared with 30 per cent for the financial year 1963-64.

Companies which have not made the prescribed arrangements for the declaration and payment of dividends within India, i.e., foreign companies.—If such a company receives any dividends from an Indian company in which the public are not substantially interested and which is wholly or mainly engaged in a business of generation and distribution of electricity or the manufacture or production of any article specified in the list in Part IV of the First Schedule, income-tax will be deducted from such dividends at the rate of 15 per cent instead of at 25 per cent.

No super-tax will be deducted at source from dividends received by any company from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of its dividends within India. This is because it is proposed to make a provision in the Income-tax Act exempting companies from super-tax in respect of such dividend income.

III. Amendments to the Income-tax Act, 1961.

(1) *Income derived by a non-resident from business connection in India.*

It is proposed to amend the Explanation to section 9(1) of the Income-tax Act with a view to securing that a non-resident shall be liable to tax on any income derived by him in India from purchasing goods which are exported by him outside India.

[Clause 5].

(2) *Exemption from tax of non-residents on income from interest on approved securities.*

It is proposed to make a provision exempting a non-resident from tax on income from securities approved by the Central Government in this behalf by issue of a notification in the Official Gazette.

[Clause 6].

(3) *Exemption of foreign visiting professors and teachers from tax on salary income.*

It is proposed to make a provision for exempting from tax the salary income earned in India by visiting professors and teachers of foreign nationality whose services are utilised in any university or educational institution in India. In order to be entitled to the exemption, the contract of service of the person concerned should be approved by the Central Government. The exemption will be for a period of thirty-six months and will be generally subject to the same conditions as are applicable to the exemption from tax of the salary income of foreign technicians.

[Clause 6].

(4) *Exemption from tax of income from a business of livestock breeding, poultry and dairy farming for a certain period.*

It is proposed to provide for the exemption from tax of income derived from a business of livestock breeding, or poultry or dairy farming for three assessment years from the assessment year 1965-66 to 1967-68.

[Clause 6].

(5) *Exemption of inter-corporate dividends from super-tax.*

It is proposed to provide that companies shall not be liable to pay super-tax on any income by way of dividends received by them from an Indian company or a company which has made the prescribed arrangements for the declaration or payment of dividends within India.

[Clause 21].

(6) *Rebate of super-tax in respect of sums paid as life insurance premiums etc.*

It is proposed to make a provision for the allowance of a rebate of super-tax to individuals and Hindu undivided families on so much of the sums paid by them as Life insurance premiums, contributions to provident funds, deposits in the post office under the Cumulative Time Deposits Scheme etc., on which they are entitled to a rebate of income-tax under the provisions of Section 87 of the Income-tax Act. The total amount of the rebate of income-tax and super-tax admissible to an assessee will, however, be subject to a ceiling limit of 50 per cent of the total amount qualifying for relief.

[Clauses 18 and 22].

(7) *Rebate of tax to resident individuals of foreign nationality on amount spent for education of children in a foreign country.*

It is proposed to provide a rebate of income-tax and super-tax to resident individuals who are not citizens of India on the amount spent by them out of their assessable income for the full time education of dependent children (not over 21 years of age) in university or any other educational institution outside India. The maximum amount qualifying for the rebate will Rs. 2,000 per annum for each such child upto two children (*viz.* Rs. 4,000) or 25 per cent of the totel income, whichever is less.

[Clauses 19 to 22].

(8) *Liability in respect of the value of any benefit or perquisite received by a person in exercise of his business or profession.*

It is proposed to make a provision to the effect that the value of any benefit or perquisite, (whether convertible into money or not), received by a person in exercise of his business or profession, from any person shall be assessable in the hands of the recipient as his income under the head 'profits and gains of business or profession'.

[Clause 7].

(9) *Development rebate.*

It is proposed to make a provision enabling the deduction on account of development rebate in respect of second hand ships acquired from a non-resident after 31st March, 1964 or second hand machinery or plant

newly imported from abroad installed after the aforesaid date at such rate or rates and subject to conditions as may be prescribed in the Income-tax Rules.

It is also proposed to make a provision enabling the Central Government to direct by issue of a notification that the deduction for development rebate shall not be admissible in respect of a ship acquired or plant installed after the period specified in the notification such period being not less than three years from the date of issue of the notification.

[Clause 8].

(10) *Taxation of capital gains.*

Under the existing provisions of the Income-tax Act, long term capital gains (*i.e.* gains relating to capital assets held by the assessee for more than one year) are charged to tax in the case of assessees other than companies at the average rate of tax applicable to their total income subject to a maximum amount of income-tax calculated at 25 per cent of such capital gains. Thus, assessees whose total income is comparatively small have to pay tax on long-term capital gains at the full rate of tax applicable to their total income. It is now proposed to provide that in respect of long-term capital gains relating to buildings or lands or rights in buildings and lands, tax shall be payable by assessees other than companies at 75 per cent of the average rate of income-tax and super-tax applicable to their total income and at 50 per cent of such average rate in respect of other long-term capital gains (vide clause 28).

In the case of companies no change is proposed to be made in regard to income-tax chargeable on long-term capital gains, the rate of which will be 25 per cent as before. However, in regard to super-tax on long-term capital gains (the existing rate of which is 5 per cent), it is proposed to provide that on long-term capital gains relating to buildings or land or rights in buildings and lands, super-tax will be chargeable at 15 per cent and on other long-term capital gains at 5 per cent as before (vide clause 29).

It is proposed to provide that in the case of an assessee holding equity shares as an investment and receiving bonus shares, tax shall be chargeable under the head "Capital gains" in respect of the bonus shares held by him as if such shares were transferred by him at their market value as on the thirty-first day from the date on which they were distributed (vide clause 12).

It is also proposed to provide that for the purpose of computing any further capital gains when such shares are actually transferred by the assessee, the cost to him of the acquisition of such shares shall be taken to be the market value thereof as on the thirty-first day from the date of their distribution (vide clause 14).

It is also proposed to provide that the cost of acquisition to an assessee of any shares received by him from a company in lieu of his original holdings on the conversion or reconversion of its stock or shares into shares or stock or conversion of one kind of shares into another kind etc., will be calculated with reference to the cost to the assessee of the original shares or stock held by him (vide clause 14).

Further, it is proposed to provide that if in the opinion of the Income-tax Officer, the fair market value of a capital asset as on the date of its transfer by an assessee exceeds the full value of the consideration for it

as declared by the assessee by an amount not less than 15 per cent of such declared value, the capital gains in respect of such asset shall be computed with reference to such fair market value. The Income-tax Officer will be required to obtain the previous approval of the Inspecting Assistant Commissioner concerned before applying this provision (vide clause 13).

It is also proposed to enable an assessee to have any dispute as to the determination of fair market value of a capital asset referred, at the stage of appeal before the Appellate Tribunal, to a committee of valuers for arbitration (vide clause 39).

(11) *Special provision for the computation of the income of a trade, professional or similar association.*

It is proposed to make a provision laying down that in the case of a trade, professional or similar association which does not distribute any part of its income to its members, the amount of any deficit (*i.e.*, excess of expenditure incurred for the advancement of the interest of the members concerned over receipts from the members) will be allowed to be deducted in computing the assessable income of the association to the extent of 50 per cent of such income.

[Clause 11]

(12) *Restrictions over expenditure incurred after* 31-3-1964 *on advertisement, maintenance of residential accommodation, travelling etc.*

It is proposed to make a provision to the effect that any expenditure incurred by an assessee after 31st March 1964 on advertisement, maintenance of residential accommodation, travelling (including hotel expenses or allowances paid in connection with travelling) shall be allowed as a deduction in computing the income under the head 'profits and gains of business or profession' only to the extent and subject to such conditions as may be prescribed in the Income-tax Rules.

[Clause 9]

(13) *Disallowance in the case of companies of excessive expenditure incurred on the provision of any perquisite for their employees.*

It is proposed to substitute the existing provision in section 40(c)(iii) of the Income-tax Act (relating to disallowance in the case of companies of any expenditure incurred by them on the remuneration or perquisite of their Indian employees in excess of Rs. 5,000 per month for each employee) by a new provision. Under the new provision, any expenditure incurred by a company after 29th February 1964 on providing any benefit, amenity or perquisite to any employee in excess of 20 per cent of his salary will not be allowed as a deduction in computing the assessable income of the company. In computing such expenditure, certain payments made by the company such as contributions made by it to a recognised provident fund or an approved superannuation fund or an approved gratuity fund shall not be taken into account.

[clause 10]

(14) *Unexplained money or valuable articles.*

It is proposed to make a provision laying down that if an assessee is found, in any financial year, to be the owner of any money, bullion, jewellery or any other valuable article not recorded in his books of

account and fails to explain, satisfactorily, the source of acquisition of such money, bullion etc., the money and the value of such article may be deemed to be his income for that financial year.

[Clause 16]

(15) *Requirement of compulsory distribution of dividends in the case of companies in which the public are not substantially interested.*

It is proposed to exempt Indian companies whose business consists wholly in the manufacture or processing of goods or in mining or the generation or distribution of electricity or any other form of power from the requirement under section 104 of the Income-tax Act of a minimum compulsory distribution of dividends up to the statutory percentage of distributable income.

It is proposed to enable the Central Government to exempt (by issue of a notification) any class of companies from the requirement of compulsory distribution of dividends if it considers it necessary or expedient in the public interest, to do so.

It is also proposed to enable any company to make an application to the Central Board of Direct Taxes for a reduction of the minimum amount required to be distributed by it compulsorily under section 104 of the Income-tax Act if the company considers that having regard to the current requirements for the development of its business, the distribution of dividends larger than what it has already declared or proposes to declare would not be possible or advisable. The Central Board of Direct Taxes or any Commissioner of Income-tax authorised by it in this behalf can reduce the amount required to be distributed compulsorily up to 20 per cent of the statutory percentage of the distributable income of the company.

[Clauses 23, 24, 25, 26 and 27]

(16) *Self-assessment.*

It is proposed to introduce a provision requiring assessees in whose case the amount of tax payable on the basis of their return (as reduced by any tax already paid) exceeds five hundred rupees, to pay the tax on the basis of the return *suo motu*, within thirty days of furnishing the return. If an assessee does not pay the tax during the said period, he will be liable to imposition of a penalty not exceeding 50 per cent of the amount of tax so payable by him. (vide clause 34).

It is proposed to omit the provision contained in section 141A of the Income-tax Act under which an assessee who paid the tax due from him for an assessment year on the basis of his return or on the basis of his assessment by the Income-tax Officer before the 1st January of the relevant assessment year was entitled to a discount of 1 per cent of the tax so paid, and, conversely, was liable to pay interest at 2 per cent per annum on the amount of tax payable if he did not pay it by the 31st December of the relevant assessment year. (clause 35).

(17) *Concealment of income.*

It is proposed to provide that where the income declared by an assessee in the return furnished by him is less than 90 per cent of the assessed income (reduced by expenditure incurred *bona fide* for earning the income but disallowed), the assessee shall be deemed to have

concealed his income or furnished inaccurate particulars thereof and be liable to penalty accordingly unless he produces proof to establish his *bona fide* in the matter

[clause 40]

(18) *Punishment on conviction for making false statements in a declaration or abetment of false returns etc.*

Under the existing provisions (in section 277 and section 278 of the Income-tax Act), the punishment for such offences is simple imprisonment upto six months or a fine upto one thousand rupees or both. It is now proposed to provide that the punishment shall be rigorous imprisonment for a minimum term of six months (unless special and adequate reasons to the contrary have been recorded in the judgement delivered by the Court) and a maximum term of two years.

[clauses 41 and 42]

(19) *Powers of search and seizure*

It is proposed to substitute the existing provision in section 132 of the Income-tax Act(enabling the Commissioner of Income-tax to authorise an Income-tax Officer to make a search in any premises for any books of account or documents which may be useful for any proceedings under the Act and to seize them) by a new provision. Under the proposed provision, the Commissioner can authorise any Inspecting Assistant Commissioner or Income-tax Officer to make a search in any premises if he has reason to believe (in consequence of information) that a person has failed to comply with a requisition for production of books of account or, documents or is not likely to comply with such a requisition or is in possession of any articles or things (including money) wholly disproportionate to his known sources of income. The officer authorised to make the search can seize any books of account or documents, place marks of identification thereon and make a note or inventory or any articles or things or money found in the premises, which in his opinion will be relevant to any proceedings under the Act.

[Clause 30]

(20) *Income-tax Officer's power of survey.*

It is proposed to introduce a provision enabling the Income-tax Officer (or any Inspector of Income-tax authorised by him in this behalf) to enter any premises in his jurisdiction where any business or profession is carried on by an assessee and to inspect any books of account or documents, to take extracts therefrom and to place marks of identification thereon.

[Clause 31]

(21) *Abolition of provisions prohibiting the disclosure of information contained in assessment records.*

The provisions contained in the Income-tax Act, prohibiting the disclosure of any information contained in the assessment records of an assessee are proposed to be omitted (*vide* clauses 32 and 43).

It is proposed to make a provision enabling the Commissioner of Income-tax to supply to any person, on an application by him, any information relating to any assessment made in the case of any assessee, if he is satisfied that there are no circumstances justifying the refusal of the information asked for (*vide* clause 33).

It is also proposed to make a provision enabling the Central Government to publish the names of any assessees and any particulars relating to assessment proceedings in respect of such assessees, if it is of the opinion that it is necessary or expedient in the public interest to publish such information. However, such publication as to the imposition of any penalty or any conviction for an offence connected with any proceedings under the Income-tax Act can be made only after the expiry of the time limit for filing the first appeal or the disposal of the first appeal in the matter, as the case may be (*vide* clause 45).

(22) *Re-imposition of expenditure-tax under the Expenditure-tax Act, 1957 from the assessment year* 1964-65.

It is proposed to revive the levy of expenditure-tax under the Expenditure Tax Act, 1957 from the assessment year 1964-65.

[Clause 53]

(23) *Discontinuance of the levy of super profits tax under the Super Profits Tax Act,* 1963 *from assessment year* 1964-65.

It is proposed to discontinue the levy of super profits tax under the Super Tax Act, 1963, from the assessment year 1964-65.

[Clause 55]

(24) *Marginal relief in respect of levy of additional surcharge on income-tax under the Finance Act,* 1963.

It is proposed to make a retrospective amendment to the provision regarding marginal relief from the levy of additional surcharge on income-tax, contained in Paragraph A of Part I of the First Schedule to the Finance Act, 1963. The effect of the amendment will be that the amount of additional surcharge payable by an assessee under the operation of the Finance Act, 1963 will not exceed one-half of the amount by which the residual income of an assessee (*i.e.* total income as reduced by tax chargeable thereon) exceeds the exemption limit for income-tax. This will give relief to assessees whose total income exceeds the exemption limit for income-tax by a small amount.

[Clause 54]

IV. Amendments to the Estate Duty Act, 1953.

(i) *Levy of estate duty in respect of agricultural lands situate in Orissa, passing on deaths taking place on or after 23rd September,* 1963.

In pursuance of a Resolution dated 23rd September, 1963 by the State Legislature of Orissa under terms of Article 252 of the Constitution, it is proposed to provide that estate duty under the Estate Duty Act, 1953 shall be leviable in respect of agricultural lands situate in the State of Orissa. The amendment will take effect from 23rd September, 1963.

(ii) *Exemption from estate duty of the principal value of a residential house or part thereof.*

It is proposed to provide that the principal value of a house or part thereof which was exclusively used by the deceased for his residence shall be exempt from estate duty, subject to the condition that if the house is situated in a place with a population exceeding ten thousand, the amount on which exemption will be available will not exceed Rs. 1 lakh.

(iii) *Omission of provision prohibiting the disclosure of information contained in records of estate duty assessments.*

It is proposed to omit the provision in the Estate Duty Act which prohibits the disclosure of information contained in any records of proceedings relating to the assessment of estate duty.

It is also proposed to make a provision enabling the Controller to supply information to any person, on an application made by him, in regard to any assessment made under the Estate Duty Act, if he is satisfied that there are no circumstances justifying the refusal of the information asked for.

It is also proposed to make a provision enabling the Central Government to publish the names of any accountable persons or any particulars relating to proceedings under the Act, if it considers it necessary or expedient, in the pulic interest, to do so.

(iv) *Changes in the rates of estate duty.*

It is proposed to substitute the rate schedule of estate duty by a new rate schedule. Under the revised rate schedule, the rate of estate duty applicable to the principal value of an estate in the slab over Rs. 20 lakhs will be increased from the existing rate of 40 per cent to 85 per cent.

[Clause 49]

V. Amendments to the Wealth-tax Act, 1957.

(i) *Exemption from wealth-tax of the value of a residential house or part thereof.*

It is proposed to provide for the exemption from wealth-tax of the value of a house or part thereof belonging to the assessee and exclusively used by him as a residence. If such house is situated in a place with a population exceeding ten thousand, the amount in respect of which exemption is to be allowed will be limited to Rs. 1 lakh.

(ii) *Omission of provision prohibiting the disclosure of information contained in assessment records of wealth-tax.*

It is proposed to omit from the Wealth-tax Act, the existing provision prohibiting the disclosure of information contained in records of assessment proceedings of wealth-tax.

It is also proposed to make a provision enabling the Commissioner to supply to any person, on his application, any information relating to any assessee in respect of any assessment made under the Act, if he is satisfied that there are no circumstances justifying the refusal of the information asked for.

It is also proposed to make a provision enabling the Central Government to publish the names of any assessees and any particulars relating to any proceedings under the Act in respect of such assessees. If it considers it necessary or expedient in the public interest to do so.

(iii) *Changes in the rate schedule of wealth-tax*

It is proposed to substitute the existing rate schedule of wealth-tax in the cases of individuals and Hindu undivided families by new rate schedules. Under the new rate schedules, the initial slab of net wealth not chargeable to wealth-tax has been reduced in the case of individuals from Rs. 2 lakhs to Rs. 1 lakh and in the case of Hindu undivided families from Rs. 4 lakhs to Rs. 2 lakhs. The rate of wealth-tax applicable to net wealth falling in the slab above Rs. 20 lakhs has been retained, both for individuals and Hindu undivided families, at 2·5 per cent.

[Clause 50]

VI. AMENDMENTS TO THE EXPENDIRURE-TAX ACT, 1957.

(i) *Abolition of exemption from expenditure in respect of certain items of expenditure.*

It is proposed to withdraw the exemption available under section 5 of the Act in respect of certain items of expenditure, such as expenditure on purchase of products of any cottage industry or any work of art, or expenditure out of entertainment allowance received by the assessee.

(ii) *Withdrawal of certain deductions allowed in computing the taxable expenditure.*

It is proposed to withdraw certain deductions allowable under the existing provisions of section 6 of the Act in computing the taxable expenditure, such as taxes and customs duty paid on purchase or import of articles for personal use, expenditure on marriages or on purchase of household goods or on meidcal treatment or education, and the basic allowance admissible to individuals and Hindu undivided families. It is also proposed to withdraw the deduction of 75 per cent of the average annual expenditure for three years prior to the previous year for assessment year 1958-59 which was admissible to assessees who made a claim in this behalf before making the return for assessment year 1958-59.

(iii) *Removal of provisions prohibiting the disclosure of information.*

It is proposed to omit the existing provision in the Act prohibiting the disclosure of information contained in the records of proceedings of assessment of expenditure-tax.

It is also proposed to make provisions enabling the Commissioner to supply information to any person on an application by him regarding any assessee in respect of any assessment made under the Act, if he is satisfied that there are no circumstances justifying the refusal of such information. It is also proposed to make a provision enabling the Central Government to publish the names of any assessees and any particulars relating to any proceedings under the Act in respect of such assessees if it considers it necessary or expedient, in the public interest, to do so. Such publication as to any penalty imposed or any conviction for any offence in connection with any proceedings under the Act can be made only after the expiry of the time limit for the filing

of the first appeal or the disposal of any such appeal filed, as the case may be.

(iv) *Changes in the rates of expenditure-tax.*

The existing rate schedule of expenditure-tax, applicable to individuals and Hindu undivided families, is sought to be substituted by a new rate schedule. The rates under the new rate schedule are considerably lower than the rates under the existing Schedule. The first slab of Rs. 36,000 of taxable expenditure has been exempted from expenditure-tax. This exemption takes the place of the basic allowance available to individuals and Hindu undivided families under clause (h) of section 6(1) of the Act which is now sought to be withdrawn. Under the revised rate schedule, the highest rate for the assessment years 1964-65 and 1965-66 which will be attracted on expenditure over the slab of Rs. 72,000 will be 15 per cent and from the assessment years 1966-67 onwards, the highest rate which will be attracted on taxable expenditure over the slab of Rs. 84,000, will be 20 per cent.

[Clause 51]

VII. Amendments to the Gift-tax Act, 1958.

(i) *Reduction of the amount of exemption in respect of value of gifts by an individual to his or her spouse.*

It is proposed to reduce the amount of the exemption from gift-tax in respect of gifts by an individual to his or her spouse in one or more previous years, from the existing aggregate limit of Rs. 1 lakh to Rs. 50,000.

(ii) *Aggregation of gifts made to the same donee during the relevant previous year and the four years immediately preceding that year.*

It is proposed to make a provision to the effect that where an assessee has made taxable gifts to the same donee during the relevant previous year and during any one or more of the four years immediately preceding such previous year, the value of the gifts made to such donee during the said four years will be aggregated with the value of the taxable gifts made by the assessee during the relevant previous year. The value of taxable gifts made to such donee in the 4 earlier years, prior to 1st April, 1963 will be taken into account in the assessment of the assessee only for rate purposes. The value of taxable gifts to such donee (during the earlier 4 years) after 31st March, 1963 will be taken into account both for rate purposes and charging gift-tax on the assessee for the relevant assessment year. However, any gift-tax paid by the assessee in respect of the value of such gifts (made after 31-3-63) for any of the four earlier years will be allowed as a deduction in computing the amount of gift-tax payable by the assessee.

(iii) *Removal of the provision prohibiting the disclosure of information contained in assessment records of gift-tax.*

The existing provisions in the Act prohibiting the disclosure of information contained in the records of assessment proceeding of gift tax are proposed to be omitted.

It is also proposed to make provisions enabling the Commissioner to supply information regarding any assessee relating to any proceedings under the Act to any person on his application. It is also proposed to make a provision enabling the Central Government to publish the names of any assessees, and any particulars relating to any proceedings under the Act in respect of such assessees; if it considers it necessary or expedient in the public interet to do so. These provisions are on the same lines as proposed to be made in the Expenditure Tax Act.

(iv) *Changes in the rate schedule of gift-tax.*

It is proposed to substitute the existing rate schedule of gift-tax by a new rate schedule. Under the new rate schedule the highest rate of gift-tax will be 50 per cent which will be attracted on the slab over Rs. 3,45,000.

[Clause 52]

CUSTOMS

The proposals include:

(a) increases in rates of basic Customs Duty on certain articles (mainly in cases where the tariff values, and the consequent incidence of duty, have been appreciably reduced from the Ist September, 1963);

(b) continuance up to the 31st March 1965 of the surcharge imposed on all dutiable articles, under section 23 of the Finance Act, 1963 at a flat rate of 10 per cent of the duty otherwise payable. It will not be leviable on countervailing duties, nor will it be charged on those mineral oils on which the rates of duty have been kept equal to the Central Excise Duty;

(c) continuance up to the 30th April, 1965 of the provision in section 24 of the Finance Act, 1963, for the imposition of a regulatory duty of Customs at specified rates.

(d) reduction in the rate of basic Customs Duty on motor cars imported completely assembled; and

(e) abolition of the Export duty on raw jute, as a measure of export promotion.

Details of the increases or decreases in basic Customs Duty, made through the Bill or by notification, are given in Table I. Further, net additional revenue amounting to Rs. 4·29 crores is expected from countervailing duties consequent on changes in Central Excise Duties: Details of these are given in Table II.

2. The total additional Customs revenue in 1964-65 as a result of the proposals in the Finance Bill and those being given effect to by notification, is estimated at Rs. 6·37 crores, made up as under:—

Customs Duty	*Rs. Crores.*
(a) Increase	2·55
(b) decrease	·47
Net.	2·08
Countervailing Duty (net) .	4·29
Total . . .	6·37

TABLE I

Details of changes in basic Customs Duty

S.No.	Reference in the Third Schedule to the Bill (Part and Sub-item No.)	Item(s) in the Tariff Schedule	Brief description of the article.	Present rate of duty		Proposed rate of duty		Additional revenue expected(+) or loss likely to be incurred(-) per annum (in lakhs of rupees) including effect of surcharge
				Standard rate of duty	Preferential rate of duty	Standard rate of duty	Preferential rate of duty	
1	2	3	4	5	6	7	8	9
	Import Tariff							
1.	II	8(2)	Fruits dried (salted and all other kinds), not otherwise specified.	50%	40%	60% (For some fruits rates converted into specific rates).	50%	+79
2.	..	Ex. 12(2)	Copra	40%	30% *Statutory*	No. change	No change	+55
				25%	15% (By notification)	30%	20% (By notification)	
3.	I(i)	28(34)	Caustic Soda	40%	30%	80%	70%	+68
4.	I(ii)	63(32)	High carbon or spring steel wire.	Rs. 84·00 per tonne plus 5%	Rs. 50·00 per tonne plus 5%	Rs. 84·00 per tonne plus 25%	Rs. 50·00 per tonne plus 25%	+53

1	2	3	4	5	6	7	8	9
5.	..	75(1)	Motor cars including taxi cabs, completely assembled.	150%	..	60% (By notification)	..	—32
	Export Tariff							
6.	..	1	Raw jute (i) cuttings	Rs. 4·50 per bale.	..	Nil (By notification)	..	—15
			(ii) others.	Rs. 15 per bale.	..	Nil (By notification)	..	
				Total additional revenue				2,08

TABLE II

List of items in regard to which the additional revenue expected or loss likely to be incurred by way of countervailing duty is Rs. 5 lakhs or over.

S. No.	Item(s) in the tariff schedule	Brief description of the article.	Additional revenue(+) or likely loss(—) (in lakhs of rupees.)
1	2	3	4
1.	46(6)	Staple fibre.	+ 50
2.	47(2)	Art Silk yarn	+ 3,44
3.	Different items.	Iron and steel products.	+ 1,35
4.	Different items.	Coal-tar dyes.	— 16
5.	44	Printing and writing paper	— 9
6.	72 & 75	Motor vehicles—(Earth moving and weight lifting equipments).	— 70
7.	Different items.	All other articles.	— 5
		Total	+4,29

CENTRAL EXCISE

1. CHANGES PROPOSED IN THE RATES OF DUTY UNDER THE CENTRAL EXCISES AND SALT ACT, 1944.

A. *By Bill:—*

(a) Tobacco

Manufactured Tobacco—Cigarettes

Tariff Item	Description	Unit	Existing rate of duty (Basic)	Proposed rate of duty (Basic)	Estimated additional revenue for 1964-65
			Rs.	Rs.	(Rs. lakhs)
4 II(2) (iii)	Value exceeds Rs. 15/- a thousand but does not exceed cigarettes Rs. 25/- a thousand	1000	8·50	7·50	(—)53
4 II(2) (iv)	Value exceeds Rs. 7·50 a thousand but does not exceed Rs. 15/- a thousand .	Do.	4·20	4·40	

The proposal is intended to arrest the shift in production of cigarettes from value category (iii) which pays a higher duty to value category (iv) on which the duty is much lower.

[Clause 60(2)(a)]

(b) *Pigments, Paints and Varnishes*

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated additional revenue for 1964-65
		Rs.	Rs.	(Rs. lakhs)
14 Dispersed Organic Pigments	Kg.	0·17 1/4	2·50	(+)20

Certain types of dispersed organic pigments are being increasingly used for textile printing in place of some other organic dyestuffs which bear a higher incidence of duty. The proposal will remove this anamoly and also yield some additional revenue.

[Clause 60(2)(b)]

(c) *Soddium Silicate (New Item)*

Item	Unit	Proposed rate of duty (Rs.)		Estimated Revenue (Rs. lakhs)
		Tariff rate	Effective rate (By notification)	
Sodium Silicate 14 BB . . .	Quintal	8.00	4.00	(+)40

Sodium Silicate is being introduced as a new item in the Central Excise Tariff. It is a measure intended to counteract the loss of revenue caused by the exemption from duty granted to all varieties of soap manufactured without the aid of power.

[Clause 60 (2) (n)]

(d) *Soap*

Item	Unit	Existing rate of duty (Basic)	Proposed rate of duty (Basic)	Estimated additional revenue	
15		Rs.	Rs.	(Rs. lakhs)	
(1) Soap, household and laundry	Quintal	15·50 / 18·00	18·00	(a) On account of increase in rates of duty	(+)8·00
(2) Other sorts . . .		37·55	38·00	(b) On account of exemption* from duty on soap produced without the aid of power .	(—)48·00
		*(By notification)		Net .	(—)40·00

The existing tariff has been rationalised and the present classifications have been reduced to two. In addition all soap manufactured without the aid of power is being exempted totally from payment of duty.

[Clause 60(2) (e)]

(e) *Paper*

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated additional revenue
		Rs.	Rs.	(Rs. lakhs)
17.(1) Cigarette tissue . .	Kg.	1·00	1·00	No change
(2) Blotting, toilet, target, tissue other than cigarette tissue, teleprinter, typewriting, manifold bank, bond, art paper, chrome paper, tub-sized paper, Stamp paper, cartridge paper, parchment and coated board (including art board, chrome board and board for playing cards).		0·50	0·50	

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated additional revenue
(3) Printing and writing paper, packing and wrapping paper, strawboard and pulpboard including greyboard, corrugated board, duplex and triplex boards, other sorts.	Kg.	0·22 0·35	0·35	No Change.
(4) All other kinds of paper and paper board, not otherwise specified.		0·50	0·50	

(1) The number of sub-items of paper and board is being reduced from ten to four. This measure is intended to rationalise this tariff on the lines remommended by the Central Excise Re-organization Committee.

(2) Certain varieties of writing and printing paper not exceeding 75 grammes in weight per square metre which fall in sub-item (3) will, however, continue to pay duty at the existing rate of 22 naye paise per kilogram made effective by notification.

[Clause 60(2)(g)]

(f) *Rayon and Synthetic fibres and yarn.*

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated additional revenue
		Rs.	Rs.	(Rs. lakhs.)
		Tariff rate.		
18	Kg.	4·50	9·00	[Clause 60(2)(h)]
		Effective rates (by notification)		
(1) Staple Fibre				
(a) of cellulosic origin . .		1·00	1·00	
(b) of non-cellulosic origin .		1·00	2·00	
(2) Yarn of cellulosic origin				
(a) below 75 deniers . .		4·00	6·00	
(b) 75—100 deniers . .		3·00	4·50	
(c) above 100 deniers . .		2·00	3·00	
(3) Yarn of non-cellulosic origin.				(+) 396
(a) below 75 deniers . .		4·50	9·00	
(b) 75—100 deniers . .		4·50	7·50	
(c) above 100 deniers . .		4·50	6·00	
(4) High tenancity or industrial yarns (for manufacture of fishing nets, parachute cords)		2·25	3·00	
(5) Staple Fibre yarn . .		Nil.	Nil.	

This tariff item covers all man-made fibres and yarn including the non-collulosic varieties (such as nylon, terylene), which are generally more highly priced than cellulosic varieties (such as viscose and acetate rayon and staple fibre). As a revenue measure, therefore, it is proposed to raise the tariff (ceiling) rate. The effective rates are being revised by notification in the manner indicated above.

(g) *Cotton yarn*

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated additional revenue
		Rs.	Rs.	(Rs. lakhs)
18A	Kg.	*Tariff rate*		
(1) Of counts 29 or more		0·30	1·00	
(2) Of counts less than 29		0·15	0·50	
				[Clause 60(2)(i)]

Item			Proposed rate of duty	Estimated additional revenue
			Rs.	(Rs. lakhs)
		Effective rates have been revised by notification, as below:—		
	French count			
of and above	less than	In hanks.	Other than in hanks.	
		nP/Kg.	nP/Kg.	
..	6	..	10	
6	14	..	15	
14	22	..	25	
22	29	5	35	(+)986
29	40	10	45	
40	51	25	60	
51	..	50	90	

(1) The counts of yarn in the tariff item are being expressed in the French count system; this change has already been adopted by the Textile industry with the approval of the Textile Commissioner.

(2) Rates of duty on cotton yarn have been substantially enhanced not only to raise some additional revenue but also in the process, to transfer a larger portion of the total incidence to yarn from the fabric stage.

(3) In counts above 26s even though yarn in hanks will have to pay duty at rates higher than that paid at present for counts above 40s, the difference in effective rates of duty between yarn cleared in other forms and those in hanks have been substantially enhanced from the present level of about 10-18 naye paise to 10-40 naye paise per kilogram. This should provide differential support to the hand-loom sector.

(h) *Woollen Yarn, all sorts including knitting wool.*

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated revenue
				(Rs. lakhs)
18B	*Ad valorem*			
		Tariff rate		
(1) Worsted yarn				
(a) Less than 48s counts		15 per cent *ad valorem*	15 per cent *ad valorem*	
(b) 48s counts and more		15 per cent *ad valorem*	20 per cent *ad valorem*	
(2) Others		7 1/2 per cent *ad valorem*	7 1/2 per cent *ad valorem*	

[Clause 60(2)(j)]

Item	Unit	Proposed rate of duty		Estimated additional revenue
		Rs.		(Rs. lakhs)
	Effective rates (by notifications)			
		Tariff value	Duty	
		Rs. per Kg.	Rs. per Kg.	
(1) Worsted yarn				
(a) less than 48s counts		18·00	2·70	+0·39
(b) 48s and above counts		26·00	5·20	
(2) Others		8·00	0·60 nP (as at present).	

(1) Besides having some revenue significance, this proposal will make the costlier varieties of worsted yarn bear a higher incidence of duty.

(2) For administrative convenience and simplification of control, tariff values are being fixed for worsted and woollen yarn, as indicated above. This measure will also make the levy uniform.

(i) *Pig Iron, steel ingots and iron or steel products.*

Item	Unit	Existing rate of duty	Proposed rate of duty		Estimated additional revenue
		Rs.	Rs.		(Rs. lakhs)
			Ceiling (by tariff) Rs.	(Effective (by notification) Rs.	
25. Pig Iron	Metric Tonne	10·00	45·00	30·00	(+)240
26. Steel Ingots		20·35	50·00	50·	

Item	Unit	Existing rate of duty Rs.	Proposed rate of duty Rs.		Estimated additional revenue (Rs. lakhs)
			Ceiling by tariff Rs.	Effective by notification Rs.	
26AA. Iron or steel products	Metric Tonne				
(i) Semi-finished steel .		69 35 (30 product duty plus 39·35 ingot duty)	90.00	90·00	
(ii) Bars, rods and structurals . . .		Do.*	90·00	90·00	
(iii) Plates or sheets (other than skelp), and hoops and strips		7½% *ad valorem* plus ingot duty (57·50+39 35)*	200·00	110 00	
*By notification					
(iv) Skelp . . .		7½% *ad valorem* plus ingot duty (52·50+39 35)*	200.00	150·00	
*By notification.					(+)941
(v) Cast Iron Pipes and tubes		5% *ad valorem* plus Rs. 10/- pig iron duty.	5% *ad valorem* plus Rs. 30 00 crude iron duty	Exempted if made from duty paid on iron in curde form.	
(vi) Seamless Pipes and tubes		5% *ad valorem* plus Rs. 39 35 (Steel ingot duty	5% *ad valorem* plus Rs. 50 00 steelin got duty	110·00	
(vii) Other pipes and tubes of steel.		5% *ad valorem* plus Rs. 39·35 (steel ingot duty)	5% *ad valorem* plus Rs. 50 00 (steel ingot duty	Exempted if made from duty paid plates, sheet or skelp.	
(viii) Steel casting . .		5% *ad valorem* plus Rs. 39·35 (steel ingot duty)	5% *ad valorem* plus Rs. 50 00 steel ingot duty)	Exempted if made from duty paid ingots or semis	

[Clause 60(2)(k) (l), (m)]

The changes are mainly consequential to the abolition of surcharge on iron and steel.

Besides being a revenue measure, this proposal seeks to further simplify excise control.

(j) *Aluminium—Item* 27(b)

It is proposed to amplify sub-item (b) of this Item so as to include "aluminium extrusions" also which will now pay duty at Rs. 500/- per tonne. At present such extrusion pay duty only at the crude stage duty of Rs. 300/- per tonne. This change will yield an additional revenue of Rs. 15 lakhs.

[Clause 60 (2) (c)]

(k) *Footwear—Item* 36

The tariff description of this item is being recast so as to remove all ambiguity and a common criterion is being fixed on the levy of duty on

footwear as well as the dutiable component parts, which is not quite the case at present. This change is estimated to yield an additional revenue of Rs. 40 lakhs. The present statutory exemption in favour of complete footwear made in a factory employing less than 50 workers and using not more than 2 H. P. is being continued by a notification. Component parts for foam rubber chappals are also being exempted.

[Clause 60(2)(q)]

(1) *Cosmetics, Plastics, Electric Cables and Motor Vehicles—Items* 14F, 15*A*, 33*B*, 34.

Proposals with regard to these items only involve modifications in their definition so as to express them more clearly. They do not have any revenue significance.

[Sub-clauses (d), (f), (o) (p) of clause 60(2)]

II. CHANGES MADE BY NOTIFICATION

(m) *Paints and Varnishes—Item* 14

Concessional rates of duty in the case of oil paints and enamels are applicable to those manufacturers whose production of these products does not exceed 1000 metric tonnes in a year. It is proposed—

(i) to reduce the concessional slab to 750 tonnes;

(ii) to allow it on the first 750 tonnes cleared by any manufacturer whose output in the whole year does not exceed 3000 tonnes;

(iii) to lay down a conversion formula for volume to weight for calculation of exemption limit.

2. This proposal is estimated to result in a loss of Rs. 10 lakhs a year.

(n) *Acids*

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated revenue (Rs. lakhs
14 G— Nitric, Hydrochloric and Sulphuric Acids (including fuming acids and anhydrides thereof all sorts)	*Ad valorem*	10 per cent *ad valorem*	Complete exemption to Hydrochloric and Nitric Acids	(—)29

The proposed exemption is intended to give relief to small manufacturers and simplify administration.

(o) *Gases*

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated revenue (Rs. lakhs)
14 H — Compressed, Liquified or Solidified gases	*Ad valorem*	10 per cent	Complete exemption to all gases except to carbondioxide used in the manufacture of aerated waters	(—)189

These exemptions are given to provide relief to a large number of industries which use these gases in the progress of manufacture.

(p) *Rubber Products.*

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated revenue (Rs. lakhs)
		Tariff rates		
16 A — Rubber products	*Ad valorem*	20 per cent	20 per cent	
		Effective rates		
		Rs.	Rs.	
(i) Latex Foam Sponge	kilogram	1 55	2·15	(+)25
(ii) Tread rubber, cushion compound, cushion gum and tread gum.	kilogram	0·80	1 10	

Effective rates of duty have been enhanced on these rubber products, whose prices have risen during the course of the year

(q) *Paper—Item* 17

(1) It is proposed to give a concession of 5 naye paise per kilogram to paper containing not less than 50 per cent bagasse pulp.

(2) It is also proposed to give incentive to new units and to the expanded capacity of existing units for three years at the following rates:—

First year — 25 per cent of duty

Second year — 20 per cent of duty.

Third year — 15 per cent of duty.

(3) The scope of the sale exemption applicable to strawboard and pulp board has been extended to all manufacturers irrespective of their output on equitous considerations.

(4) The cumulative effect of the changes is estimated to result in a loss of revenue of Rs. 29 lakhs.

(r) *Cotton fabrics — Item* 19

(i) Consequent on the transfer of an additional part of the burden of duty from grey fabrics to yarn, the effective rates of duty on the former have been reduced.

(ii) Processing duties have been rationalised. Processed fabrics of superfine, fine and medium A varieties will now pay a duty increased by 5 naye paise per square metre. Corresponding relief has been given to medium B and coarse varieties which undergo shrink-proofing and organdie processing.

(iii) Powerloom units with 50-300 powerlooms, who would have paid the same rates as payable by composite mills in respect of the basic and additional duties on grey fabrics from 1964-65, would now pay only 4/5th of these rates.

(iv) Simultaneously with the reduction in the rates on grey fabrics, rates of compounded duty for powerloom units with 5-49 looms have been substantially reduced, particularly for units producing only medium and/or coarse fabrics. The rates are given below:—

	Existing rates per loom per shift per month			Proposed rates per loom per shift per month.	
	Medium/ coarse	Fine/ S. fine		Medium coarse	Fine/ S. fine
	Rs.	Rs.		Rs.	Rs.
(i) First 4 looms .	10 00	12 50	(i) First 4 looms .	Nil	Nil
(ii) Next 5 looms .	15 00	37 50	(ii) Next 20 looms	2·50	37·50
(iii) Next 15 looms .	25 00	75 00	(iii) Balance	5·00	75·00
(iv) Balance . .	35 00	175 00			

These proposals are estimated to result in a loss of Rs. 266 lakhs which would be more than made good by the increase proposed in rates of duty on yarn.

(s) *Electric Motors*

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated revenue (Rs. lakhs)
30	*Ad valorem*	15 per cent	Complete exemption to such motors which operate at a pressure not exceeding 50 volts	(—) 18

This will provide relief to the above types of motors (*e.g.*, starter and toy motors) whose manufacture is a nascent industry.

(t) *Wireless Receiving Sets.*

Item	Unit
33A	*Advalorem* Sp ecific rates fixed by notification, as below :—

Existing rates				Proposed rates			
Price per set at the point of sale to the consumer			Duty per set	Price per set at the point pf sale to the consumer			Proposed rate of duty per set
Exceeding	Not exceeding			Exceeding	Not exceeding		
Rs.	Rs.		Rs.	Rs.	Rs.		Rs
(i) ..	150		Nil	(i) ..	165		Nil.
(ii) 150	250		15	(ii) 165	225		15
(iii) 250	375		30	(iii) 225	300		21
(iv) 375	500		75	(iv) 300	375		30
(v) 500	..		100	(v) 375	475		50
				(vi) 475	575		70
				(vii) 575	675		90
				(viii) 675	..		100

This proposal has no revenue significance.

(u) Cinematograph Films Exposed—Item 37

The ceiling of 3,250 metres imposed on the length of films for entitling them to the lower concessional rates of duty is proposed to be enhanced to 4,000 metres. While its revenue implication is negligible, this proposal will ease to some extent the restriction on the producers of films some of whom are finding it difficult to cater to the taste of the public within the stipulated length.

(u) *Gramophone Records*

Item	Unit	Existing rate of duty	Proposed rate of duty	Estimated Revenue (Rs. lakhs)
37 A	*Ad valorem*	15 per cent *ad valorem*	Complete exemption	(—)

The proposed exemption is intended to arrest the fall in the production of these records.

(v) *Matches*

Item	Unit	Existing rate of duty	Proposed rate of duty		Estimated revenue (Rs. lakhs)
38	Per thousand	*Tariff rate*	*Effective rate Per gross of 50s.*	Rs.	
		65 nP. for every 1000 matches or fraction thereof. (No change)	'A' class factories	4·60	Change negligible
			'B' class factories	4·40	
			'C' class factories	4·10	
			'D' class factories	3 75	
			The ceiling for 'D' class factories to be raised from 50 million matches to 75 million matches.		

The proposed effective rates of duty are based on the recommendation of the Tariff Commission. In addition, with a view to conserve the soft wood resources in the country, additional concessions, as below, have been provided for factories using cardboard boxes and/or bamboo splints, and/or bamboo veneers:—

(i) 30 naye paise gross for card board boxes
(ii) 30 naye paise gross for bamboo splints } (C & D classes only)
(iii) 20 naye paise gross for bamboo veneers

In addition B, C & D class factories will be allowed to pay the preferential duties applicable to their class even if their production exceeds the ceiling of their class by 20 per cent, 25 per cent and 33-1/3 per cent respectively.

III—CHANGES IN RATES OF SPECIAL EXCISE DUTY

Subject to the changes indicated below, it is proposed to continue as a revenue measure during 1964-65 special duties of excise, at the same rates which were levied by the Finance Act; 1963:—

(1) The following articles of common use are being exempted totally by notification from payment of the Special Excise Duty, viz.,

(i) printing and writing paper not exceeding 75 grammes per square metre;

(ii) chinaware and porcelainware;

(iii) electric bulbs up to 60 watts, except fluorescent tubes and miniature bulbs;

(iv) cellophane;

(v) glassware, other than sheet glass and plate glass;

(vi) synthetic organic dyestuffs.

(2) In the case of cotton yarn, on which basic duties have been substantially increased, special duty will be charged on sized yarn; this change will be given effect to by notification.

(3) Partial exemption from payment of Special Excise Duty is proposed to be given by notification in the following cases:—

(i) The Special Excise Duty on staple fibre of cellulosic origin is proposed to be reduced from 33-1/3 per cent to 15 per cent to facilitate clearance of stocks that have accumulated in the factories;

(ii) Motor tyres and tubes are being exempted fully from Special Excise Duty on the first clearance of Rs. 50 lakhs and 50 per cent exemption on the next clearance of Rs. 50 lakhs for each factory producing such tyres in any financial year.

2. The net effect of all these concessions and the changes in the levy of Special Excise Duties consequential to the changes in the basic Excise Duties detailed in Parts I and II, will be a revenue loss of Rs. 119 lakhs from realisations of Special Duties of Excise.

VI—CHANGES IN ADDITIONAL DUTY OF EXCISE (IN LIEU OF SALES TAX)

Consequent on the downward revision of the compounded levy rates applicable to powerloom units with 5-49 powerlooms and the concession granted in the rates of additional duty on the fabrics manufactured in powerloom units with 50-300 powerlooms, there may be a loss in revenue to the tune of Rs. 20 lakhs a year.

ABSTRACT

(Rs. lakhs)

Commodity	Basic Excise Duty		Special Duty of Excise		Addl. Duty of Excise (in lieu of Sales Tax)		Total
1	2	3	4	5	6	7	8
EXISTING	(+)	(—)	(+)	(—)	(—)	(+)	(—)
1. Tobacco—Cigarettes	..	53	..	11	..	..	64
2. Paints and Varnishes	10	..	2	..	..	12	..
3. Synthetic organic dyestuffs	..	..	..	18	..	..	18
4. Acids	..	29	..	..	..	..	29
5. Gases	..	189	..	..	..	..	189
6. Soap	..	40	..	8	..	..	48
7. Cellophane	..	..	..	10	..	..	10
8. Tyres	..	..	..	48	..	..	48
9. Rubber Products	25	..	5	..	..	30	..
10. Paper and Boards	..	29	..	59	..	..	88
11. Rayon and Synthetic Fibre and yarn	396	..	74	..	..	470	..
12. Cotton yarn	986	..	..	5	..	981	..
13. Woollen yarn	39	..	13	..	..	52	..
14. Cotton fabrics	..	266	..	..	20	..	286
15. Glassware (excluding sheet and plate glass)	..	..	..	22	..	..	22
16. Chinaware and Porcelain-ware	..	..	..	13	..	..	13
17. Pig Iron	240	..	..	..	..	240	..
18. Iron & Steel Products	941	..	..	..	..	941	..
19. Aluminium	15	..	3	..	..	18	..
20. Electric motors	..	18	..	4	..	..	22
21. Electric bulbs	..	..	..	18	...	..	18
22. Footwear	40	..	..	..	..	40	..
23. Gramophone records	..	15	..	..	..	..	15
Total of existing items	2692	639	97	216	20	2784	870
NEW							
Sodium Silicate	40	..	..	..	..	40	..
Grand Total	2732	639	97	216	20	2824	870
Net	2093			119	(—)20	1954	

SUMMARY

	Centre's Share	States' Share	Total
I—Basic duty			
(a) Existing items .	(+) 19,94	(+) 59	(+) 20,53
(b) New items . .	(+) 40		(+) 40
II—Additional Duty .		(—) 20	(—) 20
III—Special Duty . .	(—) 1,19		(—) 1,19
	(+) 19,15	(+) 39	(+) 19,54

THE COMPANIES (PROFITS) SURTAX BILL, 1964

A

BILL

to impose a special tax on the profits of certain companies.

Be it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title and extent.**—(1) This Act may be called the Companies (Profits) Surtax Act, 1964.

(2) It extends to the whole of India.

2. **Definitions.**—In this Act, unless the context otherwise requires,—

(1) "assessee" means a person by whom surtax or any other sum of money is payable under this Act and includes every person in respect of whom any proceeding under this Act has been taken for the assessment of his chargeable profits or of the amount of refund due to him or of the chargeable profits of any other person in respect of which he is assessable or of the amount of refund due to such other person;

(2) "assessment" includes re-assessment;

(3) "assessment year" means the period of twelve months commencing on the 1st day of April, every year;

(4) "Board" means the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963 (54 of 1963);

(5) "chargeable profits" means the total income of an assessee computed under the Income-tax Act, 1961 (43 of 1961), for any previous year or years, as the case may be, and adjusted in accordance with the provisions of the First Schedule;

(6) "Income-tax Act" means the Income-tax Act, 1961 (43 of 1961);

(7) "prescribed" means prescribed by rules made under this Act;

(8) "statutory deduction" means an amount equal to ten per cent of the capital of the company as computed in accordance with the provisions of the Second Schedule, or an amount of two hundred thousand rupees, whichever is greater;

Provided that where the previous year is longer or shorter than a period of twelve months, the aforesaid amount of ten per cent. or, as the case may be, of two hundred thousand rupees shall be increased or decreased proportionately:

Provided further that where a company has different previous years in respect of its income, profits and gains, the aforesaid increase or decrease, as the case may be, shall be calculated with reference to the length of the previous year of the longest duration; and

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(9) all other words and expressions used herein but not defined and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

3. (1) **Tax authorities.**—Every Director of Inspection, Commissioner of Income-tax, Appellate Assistant Commissioner of Income-tax, Inspecting Assistant Commissioner of Income-tax and Income-tax Officer shall have the like powers and perform the like functions, under this Act as he has and performs under the Income-tax Act, and for the exercise of his powers and the performance of his functions, his jurisdiction under this Act will be the same as that he has under the Income-tax Act.

(2) All officers and persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board:

Provided that no such orders, instructions or directions shall be given so as to interfere with the discretion of the Appellate Assistant Commissioner in the exercise of his appellate functions.

(3) Every Income-tax Officer, employed in the execution of this Act, shall observe and follow the orders, instructions and directions issued for his guidance by the Director of Inspection or by the Commissioner or by the Inspecting Assistant Commissioner under whose jurisdiction he performs his functions.

4. **Charge of tax.**—Subject to the provisions contained in this Act, there shall be charged on every company for every assessment year commencing on and from the first day of April, 1964, a tax (in this Act referred to as the surtax) in respect of so much of its chargeable profits of the previous year or previous years, as the case may be, as exceed the statutory deduction, at the rate or rates specified in the Third Schedule.

5. **Return of chargeable profits.**—(1) In the case of every company whose chargeable profits assessable under this Act exceeded during the previous year the amount of statutory deduction, its principal officer, or where in the case of a non-resident company any person has been treated as its agent under section 163 of the Income-tax Act, such person, shall furnish a return of the chargeable profits of the company during the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed, before the 30th day of September of the assessment year:

Provided that on an application made in this behalf, the Income-tax Officer may, in his discretion, extend the date for the furnishing of the return.

(2) In the case of any company which in the Income-tax Officer's opinion is assessable under this Act, the Income-tax Officer may, before the end of the relevant assessment year, serve a notice upon its principal officer, or where in the case of a non-resident company any person has been treated as its agent under section 163 of the Income-tax Act, upon such person, requiring him to furnish within thirty days from the date of service of the notice a return of the chargeable profits of the company during the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed:

Provided that on an application made in this behalf, the Income-tax Officer may, in his discretion, extend the date for the furnishing of the return.

(3) Any assessee who has not furnished a return during the time allowed under sub-section (1) or sub-section (2), or having furnished a return under sub-section (1) or sub-section (2) discovers any omission or wrong statement therein, may furnish a return or a revised return, as the case may be, at any time before the assessment is made.

6. **Assessment.**—(1) For the purposes of making an assessment under this Act, the Income-tax Officer may serve on any person who has furnished a return under sub-section (1) of section 5 or upon whom a notice has been served under sub-section (2) of section 5 (whether a return has been furnished or not) a notice requiring him on a date therein to be specified, to produce or cause to be produced such accounts or documents or evidence as the Income-tax Officer may require for the purposes of this Act and may from time to time serve further notices requiring the production of such further accounts or documents or other evidence as he may require.

(2) The Income-tax Officer, after considering such accounts, documents or evidence, if any, as he has obtained under sub-section (1) and after taking into account any relevant material which he has gathered, shall, by an order in writing, assess the chargeable profits and the amount of the surtax payable on the basis of such assessment.

7. **Provisional assessment.**—(1) The Income-tax Officer, before proceeding to make an assessment under section 6 (in this section referred to as the regular assessment) may, at any time after the expiry of the period allowed under sub-section (1) or sub-section (2) of section 5 for the furnishing of the return and whether the return has or has not been furnished, proceed to make in a summary manner a provisional assessment of the chargeable profits and the amount of the surtax payable thereon.

(2) Before making such provisional assessment, the Income-tax Officer shall give notice in the prescribed form to the person on whom the provisional assessment is to be made of his intention to do so, and shall with the notice forward a statement of the amount of the proposed assessment, and the said person shall be entitled to deliver to the Income-tax Officer at any time within fourteen days of the service of the said notice a statement of his objections, if any, to the amount of the proposed assessment.

(3) On expiry of the said fourteen days from the date of service of the notice referred to in sub-section (2), or earlier, if the assessee agrees to the proposed provisional assessment, the Income-tax Officer may, after taking into account the objections, if any, made under sub-section (2), make a provisional assessment, and shall furnish a copy of the order of the assessment to the assessee:

Provided that assent to the amount of the provisional assessment, or failure to make objection to it, shall in no way prejudice the assessee in relation to the regular assessment.

(4) There shall be no right of appeal against a provisional assessment made under this section.

(5) After a regular assessment has been made, any amount paid or deemed to have been paid towards the provisional assessment made under this section shall be deemed to have been paid towards the regular assessment; and where the amount paid or deemed to have been paid towards the provisional assessment exceeds the amount payable under the regular assessment, the excess shall be refunded to the assessee.

8. **Profits escaping assessment.**—If—

(a) the Income-tax Officer has reason to believe that by reason of the omission or failure on the part of the assessee to make a return under section 5 for any assessment year or to disclose fully and truly all material facts necessary for his assessment for any assessment year, chargeable profits for that year have escaped assessment or have been under-assessed or assessed at too low a rate or have been made the subject of excessive relief under this Act, or

(b) notwithstanding that there has been no omission or failure as mentioned in clause (a) on the part of the assessee, the Income-tax Officer has in consequence of information in his possession reason to believe that chargeable profits assessable for any assessment year have escaped assessment or have been under-assessed or assessed at too low a rate or have been the subject of excessive relief under this Act,

he may, in cases falling under clause (a) at any time, and in cases falling under clause (b) at any time within four years of the end of that assessment year, serve on the assessee a notice containing all or any of the requirements which may be included in a notice under section 5, and may proceed to assess or re-assess the amount chargeable to surtax, and the provisions of this Act shall, so far as may be, apply as if the notice were a notice issued under that section.

9. **Penalties.**—If the Income-tax Officer, in the course of any proceedings under this Act, is satisfied that any person has, without reasonable cause, failed to furnish the return required under section 5, or to produce or cause to be produced the accounts, documents or other evidence required by the Income-tax Officer under sub-section (1) of section 6, or has concealed the particulars of the chargeable profits or has furnished inaccurate particulars of such profits, he may direct that such person shall pay, by way of penalty, in addition to the amount of surtax payable, a sum not exceeding—

(a) where the person has failed to furnish the return required under section 5, the amount of surtax payable;

(b) in any other case, the amount of surtax which would have been avoided if the return made had been accepted as correct:

Provided that the Income-tax Officer shall not impose any penalty under this section without the previous authority of the Inspecting Assistant Commissioner.

10. **Opportunity of being heard.**—No order imposing a penalty under section 9 shall be made unless the assessee has been given a reasonable opportunity of being heard.

11. **Appeals to the Appellate Assistant Commissioner.**—(1) Any person objecting to the amount of surtax for which he is liable as assessed by the Income-tax Officer or denying his liability to be assessed under this Act, or objecting to any penalty or fine imposed by the Income-tax Officer, or to the amount allowed by the Income-tax Officer by way of any relief under any provisions of this Act, or to any refusal by the Income-tax Officer to grant relief or to an order of rectification or amendment having the effect of enhancing the assessment or reducing the refund, or to an order refusing to allow the claim made by the assessee for a rectification under section 13 or amendment under section 14 may appeal to the Appellate Assistant Commissioner.

(2) Every appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(3) An appeal shall be presented within thirty days of the following date, that is to say—

(a) where the appeal relates to assessment or penalty or fine, the date of service of the notice of demand relating to the assessment or penalty or fine, or

(b) in any other case, the date on which the intimation of the order sought to be appealed against is served:

Provided that the Appellate Assistant Commissioner may admit an appeal after the expiration of the said period if he is satisfied that the appellant had sufficient cause for not presenting it within that period.

(4) The Appellate Assistant Commissioner shall hear and determine the appeal and, subject to the provisions of this Act, pass such orders as he thinks fit and such orders may include an order enhancing the assessment or penalty:

Provided that an order enhancing the assessment or penalty shall not be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(5) The procedure to be adopted in the hearing and determination of the appeals shall, with any necessary modification, be in accordance with the procedure applicable in relation to income-tax.

12. **Appeals to Appellate Tribunal.**—(1) Any assessee aggrieved by an order passed by a Commissioner under section 16, or an order passed by an Appellate Assistant Commissioner under any provision of this Act, may appeal to the Appellate Tribunal against such order.

(2) The Commissioner may, if he objects to any order passed by the Appellate Assistant Commissioner under any provision of this Act, direct the Income-tax Officer to appeal to the Appellate Tribunal against the order.

(3) Every appeal under sub-section (1) or sub-section (2) shall be filed within sixty days of the date on which the order sought to be appealed against is communicated to the assessee or to the Commissioner, as the case may be.

(4) The Income-tax Officer or the assessee, as the case may be, on receipt of notice that an appeal against the order of the Appellate Assistant Commissioner has been preferred under sub-section (1) of sub-section (2) by the other party may, notwithstanding that he may not have appealed against such order or any part thereof, within thirty days of the receipt of the notice, file a memorandum of cross-objections, verified in the prescribed manner, against any part of the order of the Appellate Assistant Commissioner, and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (3).

(5) The Appellate Tribunal may admit an appeal or permit the filing of a memorandum of cross-objections after the expiry of the relevant period referred to in sub-section (3) or sub-section (4), if it is satisfied that there was sufficient cause for not presenting it within that period.

(6) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and, shall, except in the case of an appeal referred to in sub-section (2) or a memorandum of cross-objections referred to in sub-section (4), be accompanied by a fee of one hundred rupees.

(7) Subject to the provisions of this Act, in hearing and making an order on any appeal under this section, the Appellate Tribunal shall exercise the same powers and follow the same procedure as it exercises and follows in hearing and making an order on any appeal under the Income-tax Act.

13. **Rectification of mistakes.**—(1) With a view to rectifying any mistake apparent from the record, the Commissioner, the Income-tax Officer, the Appellate Assistant Commissioner and the Appellate Tribunal may, of his, or its, own motion or on an application by the assessee in this behalf, amend any order passed by him or it in any proceeding under this Act within four years of the date on which such order was passed.

(2) An amendment which has the effect of enhancing the assessment or reducing a refund or otherwise increasing the liability of the assessee shall not be made under this section unless the authority concerned has given notice to the assessee of its intention so to do and has allowed the assessee a reasonable opportunity of being heard.

(3) Where an amendment is made under this section, the order shall be passed in writing by the authority concerned.

(4) Subject to the other provisions of this Act, where any such amendment has the effect of reducing the assessment, the Income-tax Officer shall make any refund which may be due to such assessee.

(5) Where any such amendment has the effect of enhancing the assessment or reducing the refund already made, the Income-tax Officer shall serve on the assessee a notice of demand in the prescribed form specifying the sum payable.

14. **Other amendments.**—Where as a result of any order made under section 154 or section 155 of the Income-tax Act, it is necessary to recompute the chargeable profits determined in any assessment under this Act, the Income-tax Officer may proceed to recompute the chargeable profits, and determine the surtax payable or refundable on the basis of such recomputation and make the necessary amendment and the provisions of section 13 shall, so far as may be, apply thereto, the period of four years specified in sub-section (1) of that section being reckoned from the date of the order passed under the aforesaid sections of the Income-tax Act.

15. **Surtax deductible in computing distributable income under Income-tax Act.**—Notwithstanding anything contained in clause (i) of section 109 of the Income-tax Act, in computing the distributable income of a company for the purposes of Chapter XI-D of that Act, the surtax payable by the company for any assessment year shall be deductible from the total income of the company assessable for that assessment year.

16. **Revision of orders prejudicial to revenue.**—(1) The Commissioner may call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by the Income-tax Officer is erroneous in so far as it is prejudicial to the interests of the revenue, he may, after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify,

including an order enhancing or modifying the assessment, or cancelling the assessment and directing a fresh assessment.

(2) No order shall be made under sub-section (1)—

(a) to revise an order of re-assessment made under section 8, or

(b) after the expiry of two years from the date of the order sought to be revised.

(3) Notwithstanding anything contained in sub-section (2), an order in revision under this section may be passed at any time in the case of an order which has been passed in consequence of, or to give effect to, any finding or direction contained in an order of the Appellate Tribunal, the High Court or the Supreme Court.

Explanation.—In computing the period of limitation for the purposes of sub-section (2), any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.

17. **Revision of orders by Commissioner.**—(1) The Commissioner may, either of his own motion or on an application by the assessee for revision, call for the record of any proceeding under this Act which has been taken by an Income-tax Officer or Appellate Assistant Commissioner subordinate to him and may make such inquiry or cause such inquiry to be made and, subject to the provisions of this Act, may pass such order thereon, not being an order prejudicial to the assessee, as he thinks fit.

(2) The Commissioner shall not of his own motion revise any order under the section if the order has been made more than one year previously.

(3) In the case of an application for revision under this section by the assessee, the application shall be made within one year from the date on which the order in question was communicated to him or the date on which he otherwise came to know of it, whichever is earlier:

Provided that the Commissioner may, if he is satisfied that the assessee was prevented by sufficient cause from making the application within that period, admit an application made after the expiry of that period.

(4) The Commissioner shall not revise any order under this section in the following cases—

(a) where an appeal against the order lies to the Appellate Assistant Commissioner or to the Appellate Tribunal but has not been made and the time within which such appeal may be made has not expired, or, in the case of an appeal to the Appellate Tribunal, the assessee has not waived his right of appeal; or

(b) where the order is pending on an appeal before the Appellate Assistant Commissioner; or

(c) where the order has been made the subject of an appeal to the Appellate Tribunal.

(5) Every application by an assessee for revision under this section shall be accompanied by a fee of twenty-five rupees.

Explanation 1.—An order by the Commissioner declining to interfere shall, for the purposes of this section, be deemed not to be an order prejudicial to the assessee.

Explanation 2.—For the purposes of this section, the Appellate Assistant Commissioner shall be deemed to be an authority sub-ordinate to the Commissioner.

18. **Application of provisions of Income-tax Act.**—The provisions of the following sections and Schedules of the Income-tax Act and the Income-tax (Certificate Proceedings) Rules, 1962, as in force from time to time, shall apply with such modifications, if any, as may be prescribed, as if the said provisions and the rules referred to surtax instead of to income-tax and super-tax:—

2(44), 131 to 136 (both inclusive), 138, 140, 156, 160, 161, 162, 163, 166, 167, 170, 173, 175, 176, 178, 179, 220 to 229 (both inclusive), 231, 232, 233, 237 to 242 (both inclusive), 244, 245, 254 to 262 (both inclusive), 265, 266, 268, 269, 281, 282, 284, 287 to 293 (both inclusive), the Second Schedule and the Third Schedule:

Provided that references in the said provisions and the rules to the "assessee" shall be construed as references to an assessee as defined in this Act.

19. **Income-tax papers to be available for the purposes of this Act.**—(1) Notwithstanding anything contained in the Income-tax Act, all information contained in any statement or return made or furnished under the provisions of that Act or obtained or collected for the purposes of that Act may be used for the purposes of this Act.

(2) All information contained in any statement or return made or furnished under the provisions of this Act or obtained or collected for the purposes of this Act may be used for the purposes of the Income-tax Act.

20. **Failure to deliver returns, etc.**—If any person fails without reasonable cause to furnish in due time any return under sub-section (2) of section 5, or to produce, or cause to be produced, any accounts or documents required to be produced under section 6, he shall be punishable with fine which may extend to five hundred rupees, and with a further fine which may extend to ten rupees for every day during which the default continues.

21. **False statements.**—If a person makes in any return furnished under section 5, any statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with simple imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

22. **Abetment of false returns, etc.**—If a person makes or induces in any manner another person to make and deliver any account, statement or declaration relating to chargeable profits liable to surtax which is false and which he either knows to be false or does not believe to be true, he shall be punishable with simple imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

23. **Institution of proceedings and composition of offences.**—(1) A person shall not be proceeded against for an offence under section 20 or section 21 or section 22 or under the Indian Penal Code (45 of 1860), except at the instance of the Commissioner.

(2) The Commissioner may, either before or after the institution of proceedings, compound any offence punishable under section 20 or section 21 or section 22.

24. **Power to make exemption, etc., in relation to certain Union territories.**—If the Central Government considers it necessary or expedient so to do for avoiding any hardship or anomaly or removing any difficulty that may arise as a result of the application of this Act to the Union territories of Dadra and Nagar Haveli, Goa, Daman and Diu and Pondicherry, the Central Government may, by general or special order, make an exemption, reduction in rate or other modification in respect of surtax in favour of any class of assessees or in regard to the whole or any part of the chargeable profits of any class of assessees.

25. **Power to make rules.**—(1) The Board may, subject to the control of the Central Government, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form in which returns under section 5 may be furnished and the manner in which they may be verified;

(b) the form in which notice for making provisional assessment shall be given;

(c) the form in which appeals under section 11 or section 12 may be filed and the manner in which they shall be verified;

(d) the procedure to be followed on applications for rectification of mistakes and applications for refunds;

(e) any other matter which by this Act is to be, or may be, prescribed.

(3) The Central Government shall cause every rule made under this section to be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days, which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, that rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

26. **Saving.**—Nothing contained in this Act shall apply to any company which has no share capital.

THE FIRST SCHEDULE

[See section 2(5)]

RULES FOR COMPUTING THE CHARGEABLE PROFITS

In computing the chargeable profits of a previous year, the total income computed for that year under the Income-tax Act shall be adjusted as follows:—

1. Income, profits and gains and other sums falling within the following clauses shall be excluded from such total income, namely:—

(i) any income chargeable under the Income-tax Act under the head "Capital gains";

(ii) any compensation or other payment as is referred to in clause (ii) of section 28 of the Income-tax Act;

(iii) profits and gains of any business of life insurance;

(iv) any income referred to in sub-section (2) of section 41 of the Income-tax Act;

(v) the amount of profits and gains derived from an industrial undertaking or hotel, on which under section 84 of the Income-tax Act income-tax is not payable;

(vi) income chargeable under the Income-tax Act under the head "Interest on securities" derived from any security of the Central Government issued or declared to be income-tax free or from any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

(vii) any sum in respect of which a deduction of income-tax is allowed under the provisions of section 88 of the Income-tax Act;

(viii) income by way of dividends from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India;

(ix) income by way of royalties received from Government or a local authority or any Indian concern;

(x) in the case of a non-resident company which has not made the prescribed arrangements for the declaration and payment of dividends within India, its income by way of any interest or fees for rendering technical services received from Government or a local authority or any Indian concern;

(xi) in the case of a banking company—

(a) any sum which during the previous year is transferred by it to a reserve fund under sub-section (1) of section 17 of the Banking Companies Act, 1949 (10 of 1949) or is deposited by it with the Reserve Bank of India under sub-clause (ii) of clause (b) of sub-section (2) of section 11 of that Act, not exceeding the amount required under the aforesaid provisions to be so transferred or deposited, as the case may be, or

(b) any sum transferred by it during the previous year to any reserves in India including reserves not shown as such in its published balance sheet in so far as the sums transferred to such reserves are attributable to income chargeable to tax under the Income-tax Act and have not been allowed as a deduction in computing its total income under that Act and in so far as the aggregate of such sums does not exceed the highest of the aggregate of such sums, if any, so transferred during any one of the three years prior to the previous year,

whichever is higher;

(xii) the amount of any deduction from the income-tax and super-tax chargeable on the total income allowed under the

annual Finance Act in connection with export of any goods or merchandise out of India or the sale by a manufacturer of any articles to any person who exports them out of India.

2. The balance of the total income arrived at after making the exclusions mentioned in rule 1 shall be reduced by—

(i) the amount of income-tax and super-tax payable by the company in respect of its total income under the provisions of the Income-tax Act after making allowance for any relief, rebate or deduction in respect of income-tax and super-tax to which the company may be entitled under the provisions of the said Act or the annual Finance Act, and after excluding from such amount—

(a) the amount of income-tax and super-tax, if any, payable by the company in respect of any income referred to in clause (i) or clause (ii) or clause (iii) or clause (viii) of rule 1 included in the total income;

(b) an amount equal to the amount by which the rebate of super-tax admissible to the company under the provisions of the annual Finance Act is, under the provisions of the said Act, reduced with reference to any amount of dividends distributed by the company during the previous year relevant to the assessment year;

(ii) in the case of a company which has been charged to tax in a country outside India on any portion of its income, profits and gains included in its total income as computed under the Income-tax Act, the tax actually paid in respect of such income, profits and gains in the said country in accordance with the laws in force in that country after allowance of every relief due under the said laws:

Provided that the aforesaid reduction shall not be allowed unless the assessee produces evidence of the fact of the payment of the aforesaid tax in that country.

3. The net amount of income calculated in accordance with rule 2 shall be increased by the aggregate of—

(i) the amount of any interest payable by the company in respect of its debentures or moneys referred to in clause (v) of rule 1 of the Second Schedule for the previous year relevant to the assessment year allowed as a deduction in computing its total income;

(ii) any expenditure incurred on account of commission, entertainment and advertisement, to the extent such expenditure, in the opinion of the Income tax Officer, is excessive having regard to the circumstances of the case:

Provided that the previous authority of the Inspecting Assistant Commissioner is obtained for holding such expenditure to be excessive.

THE SECOND SCHEDULE

[*See* section 2(8)]

RULES FOR COMPUTING THE CAPITAL OF A COMPANY FOR THE PURPOSES OF SURTAX

1. Subject to the other provisions contained in this Schedule, the capital of a company shall be the aggregate of the amounts, as on the first day of the previous year relevant to the assessment year, of—

(i) its paid-up share capital;

(ii) its reserves, if any, created under the proviso (b) to clause (vib) of sub-section (2) of section 10 of the Indian Income-tax Act, 1922 (11 of 1922) or under sub-section (3) of section 34 of the Income-tax Act, 1961 (43 of 1961);

(iii) its other reserves as reduced by the amounts credited to such reserves as have been allowed as a deduction in computing the income of the company for the purposes of the Indian Income-tax Act, 1922 (11 of 1922) or the Income-tax Act, 1961 (43 of 1961);

(iv) its debentures, if any; and

(v) any moneys borrowed by it from the Industrial Finance Corporation of India or the Industrial Credit and Investment Corporation of India or any other financial institution which the Central Government may notify in this behalf in the Official Gazette or any moneys borrowed by it from any banking institution (not being a financial institution notified as aforesaid) under an agreement providing for the repayment of such moneys during a period of not less than ten years, or any moneys borrowed from any person in a country outside India for the creation of any capital asset in India.

Explanation.—For the removal of doubts it is hereby declared that any amount standing to the credit of any account in the books of a company as on the first day of the previous year relevant to the assessment year which is of the nature of item (5) or item (6) or item (7) under the heading "RESERVES AND SURPLUS' or of any item under the heading "CURRENT LIABILITIES AND PROVISIONS" in the column relating to "LIABILITIES" in the "FORM OF BALLANCE-SHEET" given in Part I of Schedule VI to the Companies Act, 1956 (1 of 1956) shall not be regarded as a reserve for the purposes of computation of the capital of a company under the provisions of this Schedule.

2. Where a company owns any assets the income from which in accordance with clause (iii) or clause (vi) or clause (viii) of rule 1 of the First Schedule is required to be excluded from its total income in computing its chargeable profits, the amount of its capital as computed under rule 1 of this Schedule shall be diminished by the cost to it of the said assets as on the first day of the previous year relevant to the assessment year in so far as such cost exceeds the aggregate of—

(i) any moneys borrowed [other than such moneys as are referred to in clause (v) of rule 1] and remaining outstanding as on the first day of the said previous year; and

(ii) the amount of any fund, any surplus and any such reserve as is not to be taken into account in computing the capital under rule 1.

Explanation 1.—A paid-up share capital or reserve brought into existence by creating or increasing (by revaluation or otherwise) any book asset is not capital for computing the capital of a company for the purposes of this Act.

Explanation 2.—Any premium received in cash by the company on the issue of its shares standing to the credit of the share premium account shall be regarded as forming part of its paid-up share capital.

Explanation 3.—Where a company has different previous years in respect of its income, profits and gains, the computation of capital under rules 1, 2 and 3 shall be made with reference to the previous year which commenced first.

3. Where after the first day of the previous year relevant to the assessment year the capital of a company as computed in accordance with the foregoing rules of this Schedule is increased by any amount during that previous year on account of increase of paid-up share capital or issue of debentures or borrowing of any moneys referred to in clause (v) of rule 1 or is reduced by any amount on account of reduction of paid-up share capital or redemption of any debentures or repayment of any such moneys, such capital shall be increased or reduced, as the case may be, by a sum which bears to that amount the same proportion as the number of days of the previous year during which the increase or the reduction remained effective bears to the total number of days in that previous year.

4. Where a part of the income, profits and gains of a company is not includible in its total income as computed under the Income-tax Act, its capital shall be the sum ascertained in accordance with rules 1, 2 and 3, diminished by an amount which bears to that sum the same proportion as the amount of the aforesaid income, profits and gains bears to the total amount of its income, profits and gains.

THE THIRD SCHEDULE

(*See* section 4)

RATES OF SURTAX

1. On the amount by which the chargeable profits exceed the amount of the statutory deduction— 40 per cent.

Provided that where the total income of an assessee, being an Indian company or any other company which has made the prescribed arrangements for the declaration and payment of dividends within India, includes any income, profits and gains attributable to the business of generation and distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in paragraph 2, the assessee shall be entitled to a rebate equal to a sum of one-fifth of the amount which bears to the amount of the surtax payable by the assessee, the same proportion as the amount of the aforesaid inclusion bears to the amount of the total income of the assessee:

Provided further that if the Central Government, having regard to the stage of development of any industry and other relevant factors, considers it necessary or expedient so to do, it may, at any time by general or special order withdraw the benefit conferred by the preceding

proviso in respect of the business of generation and distribution of electricity or of manufacture or production of any article specified in the said list or extend such benefit to any other business and such order shall have effect for the purposes of assessment under this Act for any such assessment year (not being the assessment year commencing on the first day of April, 1964) as may be specified in the said order.

2. The list of articles referred to in paragraph 1 shall be as follows:—

(1) Iron and steel (metal), ferro-alloys and special steels.

(2) Aluminium, copper, lead and zinc.

(3) Coal, lignite, iron ore and bauxite.

(4) Industrial machinery specified under the heading "8. Industrial Machinery", sub-heading "A. Major items of specialised equipment used in specific industries", of the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951).

(5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.

(6) Equipment for the generation, transmission and distribution of electricity, including transformers.

(7) Machine tools, precision tools, dies and jigs.

(8) Tractors and earth-moving machinery.

(9) Steel castings and forgings.

(10) Cement and refractories.

(11) Fertilisers.

(12) Paper and pulp.

(13) Tea, coffee and rubber.

(14) Component parts of the articles mentioned in items Nos. (4), (5), (6) and (8), that is to say, such parts as are essential for the working of the machinery referred to in items aforesaid and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and are in complete finished form and are ready for fitment.

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to impose a special tax on companies (other than those which have no share capital) on their excess profits, namely, the amount by which the total income of a company as reduced by certain types of income and certain sums and the income-tax and super-tax payable by it exceeds a sum of ten per cent. of its capital, reserves and certain borrowed moneys or a sum of Rs. 2 lakhs, whichever is higher. The Notes on clauses explain the various provisions of the Bill.

T. T. KRISHNAMACHARI.

NEW DELHI;
The 29th February, 1964.

Notes on clauses

Clause 2 contains definitions of the various terms and expressions used in the clauses of the Bill.

Sub-clause (3) defines "assessment year" as being the period of twelve months commencing on the 1st day of April, every year.

Sub-clause (5) defines "chargeable profits" to mean the total income of the assessee for the previous year relevant to the assessment year as computed under the Income-tax Act, 1961 and adjusted in accordance with the provisions of the First Schedule.

Sub-clause (8) defines the term "statutory deduction" to mean an amount equal to ten per cent. of the capital of the company as computed in accordance with the Second Schedule or an amount of Rs. 2 lakhs, whichever is greater. The amount of the statutory deduction is required to be adjusted in relation to the length of the previous year, if such year is longer or shorter than a period of 12 months.

Sub-clause (9) provides that all words and expression used in the Bill but not defined therein and defined in the Income-tax Act, 1961 shall have the same meanings as in that Act.

Clause 3 seeks to give jurisdiction in respect of surtax to the same authorities as have jurisdiction under the Income-tax Act, 1961.

Clause 4 seeks to make a provision for charging a tax named "surtax" on every company for the assessment year 1964-65 and subsequent assessment years on that amount of its chargeable profits during the previous year or the years which exceeds the amount of statutory deduction admissible to it at the rate or rates specified in the Third Schedule.

Clause 5—

Sub-clause (1) seeks to impose a liability on the principal officer of every company, and in the case of a non-resident company, also on the person who has been treated as its agent under section 163 of the Income-tax Act, 1961, to furnish a return of the chargeable profits of the company by the 30th day of September of the relevant assessment year, if such chargeable profits exceed the amount of the statutory deduction.

Sub-clause (2) seeks to enable the Income-tax Officer to issue a notice to a company requiring it to furnish a return of the chargeable profits within thirty days from the date of service of the notice.

Under both the sub-clauses, the Income-tax Officer has been authorised to extend the time for furnishing the return.

Sub-clause (3) seeks to enable an assessee who has not furnished the return within the time allowed or who having furnished the return discovers any omissions therein, to file a return or a revised return, as the case may be, at any time before the completion of the assessment.

Clause 6 provides that the Income-tax Officer may call for accounts, documents or other evidence from the assessee for the purpose of his assessment, and shall make the assessment after considering all the material so obtained by him.

Clause 7 enables the Income-tax Officer to make a provisional assessment of the chargeable profits of an assessee at any time after the expiry

notice to him inviting his objections, if any, to the proposed assessment. It has been provided that there shall be no right of appeal against such a provisional assessment and that the tax paid on the provisional assessment shall be deemed to have been paid towards the regular assessment.

Clause 8 relates to the assessment or re-assessment of chargeable profits which have escaped assessment or have been under-assessed, etc. It provides that in the case of an omission or failure on the part of the assessee to file a return or to disclose fully and truly all the materials necessary for his assessment, such proceedings may be initiated at any time, and in other cases within four years of the end of the relevant assessment year.

Clause 9 seeks to make a provision for the imposition of a penalty on an assessee for his failure, without reasonable cause, to furnish a return of his chargeable profits or to produce the accounts, documents or evidence required by the Income-tax Officer, and for any concealment or deliberate furnishing of inaccurate particulars of his chargeable profits.

Clause 10 provides that the assessee shall be given a reasonable opportunity of being heard before any penalty under clause 9 is imposed upon him.

Clause 11 relates to appeals by the assessees to the Appellate Assistant Commissioner against any order passed by the Income-tax Officer.

Clause 12 relates to appeals to the Appellate Tribunal by assessees or by the Income-tax Officer under the directions of the Commissioner of Income-tax against any order made by the Appellate Assistant Commissioner. It has been provided that in disposing of such appeals, the Tribunal shall exercise the same powers and follow the same procedure as it exercises and follows in disposing of any appeal under the Income-tax Act, 1961.

Clause 13 provides for the rectification of mistakes apparent from the record of any proceedings by the Commissioner of Income-tax, the Appellate Assistant Commissioner and the Appellate Tribunal, *suo motu* or at the instance of the assessee, within four years of the date on which the order sought to be rectified has been passed.

Clause 14 seeks to enable the Income-tax Officer to recompute the chargeable profits of the assessee in consequence of any order of rectification or amendment passed under section 154 or section 155 of the Income-tax Act, 1961, in relation to the relevant income-tax assessment of the assessee, within four years from the date of the latter order.

Clause 15 seeks to provide that the surtax payable by a company for a particular assessment year shall be deducted from its total income for that assessment year in computing its distributable income for the purpose of Chapter XI-D of the Income-tax Act, 1961.

Clause 16 enables the Commissioner to revise any orders passed by the Income-tax Officer which are prejudicial to revenue, within a period of two years from the date of the order sought to be revised.

Clause 17 enables the Commissioner to give relief to the assessee on revision of any orders passed by the Income-tax Officer or the Appellate Assistant Commissioner subordinate to him, either of his own motion or on an application by the assessee.

Clause 18 seeks to make applicable to the proceedings relating to surtax, certain provisions of the Income-tax Act, 1961 pertaining to various matters for which no separate provisions have been made in the Bill, *e.g.*, issue and service of notice of demand, recovery of arrear tax dues assessment proceedings in the case of non-resident through an agent, liability of directors or private companies in liquidation, reference to High Court, appeal to Supreme Court, etc. It also seeks to apply the provisions of the Income-tax (Certificate Proceedings) Rules, 1962 to the proceedings of recovery of arrears of surtax.

Clause 19 provides that all information contained in any statement or returns made by the assessees or furnished in any proceeding under the Income-tax Act, 1961, may be used for the purposes of proceedings relating to surtax and *vice versa*.

Clauses 20 *to* 23 (*both inclusive*) relate to prosecution for various offences by way of failure to deliver returns without any reasonable cause, making of false statements, abetment of false returns, and the composition of such offences.

Clause 24 seeks to enable the Central Government to make an exemption, reduction in rate or other modification in respect of surtax in favour of any class of assessees or in regard to the whole or any part of the chargeable profits of any class of assessees in order to remove any difficulty or avoid any hardship that may arise as a result of application of surtax to the Union territories of Dadra and Nagar Haveli, Goa, Daman and Diu and Pondicherry.

Clause 25 seeks to enable the Central Board of Direct Taxes to make rules for carrying out the purposes of this enactment and in this behalf, *inter alia*, to prescribe various forms such as the form of return of chargeable profits.

Clause 26 seeks to exclude companies which have no share capital from the purview of surtax.

The First Schedule lays down rules for the computation of the chargeable profits. Under its provisions, 'chargeable profits' are to be computed by excluding from the assessee's total income (as computed under the Income-tax Act) certain items of income and sums which have been exempted from surtax; deducting from the balance amount the income-tax and super-tax payable by the company (subject to certain adjustments); and adding to the amount so arrived at, any interest payable by the assessee in respect of debentures, and specified loans referred to in rule 1(v) of the Second Schedule, and such amount of any expenditure on commission, entertainment and advertisement which may be considered by the Income-tax Officer (with the approval of the Inspecting Assistant Commissioner) to be excessive in the circumstances of the case.

The Second Schedule contains the rules for the computation of the capital of a company for the purpose of determining the amount of 'statutory deduction' admissible to a company. Under these rules, the capital of a company consists of the amounts, as on the first day of the relevant previous year, of its paid-up capital, reserves (including the reserves required to be created under the Indian Income-tax Act, 1922 and the Income-tax Act, 1961 for entitlement to development rebate), debentures and specified loans. If a company possesses assets, the income from which is not taken into account in computing the chargeable

profits under certain provisions of the First Schedule, such as investments in shares of companies, the cost thereof (subject to certain adjustments for borrowed moneys not included in the capital of the company) is required to be deducted from the capital aforesaid.

The Third Schedule lays down that surtax shall be charged at the rate of 40 per cent. of the amount by which the chargeable profits of a company for the relevant previous year exceed the amount of the statutory deduction admissible to it. It also provides that an Indian company or a company which has made the prescribed arragements for the declaration and payment of dividends within India shall be entitled to a rebate calculated at 20 per cent. of that part of the surtax which is attributable to any profits derived by it from the business of the generation and distribution of electricity or of the manufacture or production of any one or more of the articles specified in the list contained in the said Schedule. It also provides that the Central Government may, by issue of a notification in the Official Gazette, exclude any articles from or add any item to the said list for the purposes of an assessment for any assessment year subsequent to the assessment year 1964-65.

FINANCIAL MEMORANDUM

The Bill seeks to impose a new tax on all companies other than companies having no share capital. This tax will be administered by the Income-tax Department but its proceedings relating to assessment, collection and revision and appeals will be separate from that of income-tax. However, some incidental expenditure on the administration of the Act may be involved, the extent of which cannot be foreseen at present.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 25 empowers the Board to make rules for carrying out the purposes of the Act. The matters in respect of which such rules may be made pertain to the form in which returns under section 5 may be furnished, the form in which notice for making provisional assessment shall be given, the form in which appeals under the Act may be filed and the procedure that may be followed on application for rectification of mistakes and application for refunds. The matters in respect of which rules will be made are matters of procedure, form or detail.

The delegation of legislative power is, therefore, of a normal character.

LOK SABHA

A

BILL

to impose a special tax on the profits of certain companies

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(Shri T. T. Krishnamachari,
Minister of Finance.)

THE APPROPRIATION (No. 2) ACT, 1964

AN

ACT

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1964-65.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Appropriation (No. 2) Act, 1964.

2. **Issue of Rs. 1,04,00,37,50,000 out of the Consolidated Fund of India for the year 1964-65.**—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Vote on Account) Act, 1964 (2 of 1964)], to the sum of ten thousand and four hundred crores, thirty-seven lakhs and fifty thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1964-65 in respect of the services specified in column 2 of the Schedule.

3. **Appropriation.**—The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Community Development and Co-operation .	28,80,000	..	28,80,000
2	Community Development Projects, National Extension Service and Co-operation .	5,70,44,000	..	5,70,44,000
3	Ministry of Defence . .	60,50,000	..	60,50,000
4	Defence Services, Effective—Army	5,82,88,50,000	10,00,000	5,82,98,50,000
5	Defence Services, Effective—Navy	23,14,50,000	50,000	23,15,00,000
6	Defence Services, Effective—Air Force . . .	1,24,61,00,000	1,00,000	1,24,62,00,000
7	Defence Services, Non-Effective	21,90,00,000	50,000	21,90,50,000
8	Ministry of Education . .	86,26,000	..	86,26,000
9	Education	36,57,71,000	..	36,57,71,000
10	Archaeology . . .	1,28,30,000	..	1,28,30,000
11	Survey of India . . .	4,16,09,000	..	4,16,09,000
12	Botanical Survey . . .	28,35,000	..	28,35,000
13	Zoological Survey . . .	25,96,000	..	25,96,000
14	Other Revenue Expenditure of the Ministry of Education .	11,81,03,000	..	11,81,03,000
15	Tribal Areas . . .	15,86,19,000	..	15,86,19,000
16	External Affairs . . .	18,54,45,000	..	18,54,45,000
17	Dadra and Nagar Haveli Area .	18,78,000	..	18,78,000
18	Other Revenue Expenditure of the Ministry of External Affairs . .	7,81,16,000	..	7,81,16,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
19	Ministry of Finance	2,22,27,000	..	2,22,27,000
20	Customs	4,63,74,000	50,000	4,64,24,000
21	Union Excise Duties	11,14,27,000	46,000	11,14,73,000
22	Taxes on Income including Corporation Tax, etc.	7,87,64,000	1,46,000	7,89,10,000
23	Stamps	3,18,48,000	..	3,18,48,000
24	Audit	13,95,87,000	23,30,000	14,19,17,000
25	Currency and Coinage	9,71,91,000	..	9,71,91,000
26	Mint	2,64,69,000	..	2,64,69,000
27	Kolar Gold Mines	5,15,39,000	..	5,15,39,000
28	Pensions and other Retirement benefits	5,88,59,000	15,38,000	5,03,97,000
29	Territorial and Political Pensions	21,80,000	..	21,80,000
30	Opium	2,88,76,000	..	2,88,76,000
31	Other Revenue Expenditure of the Ministry of Finance	1,61,79,92,000	..	1,61,79,92,000
32	Planning Commission	1,10,63,000	..	1,10,63,000
33	Grants-in-aid to State and Union territory Governments	2,18,90,54,000	76,85,81,000	2,95,76,35,000
34	Miscellaneous Adjustments between the Central and State and Union territory Governments	28,18,000	..	28,18,000
35	Pre-partition Payments	14,92,000	6,00,000	20,92,000
	CHARGED.—*Interest on Debt and Other Obligations and Reduction, or ovoidance of Debt*	..	3,18,45,62,000	3,18,45,62,000
	CHARGED.—*Payments of States Share of Union Excise Duties*	..	1,0,97,76,000	1,40,97,76,000
36	Ministry of Food and Agriculture	84,78,000	..	84,78,000
37	Agriculture	4,36,48,000	..	4,36,48,000
38	Agricultural Research	6,74,43,000	..	6,74,43,000
39	Animal Husbandry	1,12,94,000	..	1,12,94,000
40	Forest	1,24,87,000	..	1,24,87,000
41	Other Revenue Expenditure of the Ministry of Food and Agriculture	18,63,84,000	15,38,000	18,79,22,000
42	Ministry of Health	22,81,000	..	22,81,000
43	Medical and Public Health	12,47,17,000	..	12,47,17,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
44	Other Revenue Expenditure of the Ministry of Health .	95,21,000	..	95,21,000
45	Ministry of Home Affairs .	4,53,39,000	..	4,53,39,000
46	Cabinet	45,83,000	..	45,83,000
47	Zonal Councils . . .	1,27,000	..	1,27,000
48	Administration of Justice .	3,17,000	20,62,000	23,79,000
49	Police	14,63,84,000	..	14,63,84,000
50	Census	1,36,53,000	..	1,36,53,000
51	Statistics	2,30,05,000	..	2,30,05,000
52	Privy Purses and Allowances of Indian Rulers . .	1,14,000	5,08,03,000	5,09,17,000
53	Delhi	21,44,59,000	25,000	21,44,84,000
54	Andaman and Nicobar Islands	3,26,37,000	..	3,26,37,000
55	Laccadive, Minicoy and Amindivi Islands . . .	47,54,000	..	47,54,000
56	Other Revenue Expenditure of the Ministry of Home Affairs	2,75,38,000	..	2,75,38,000
57	Ministry of Industry . .	37,47,000	..	37,47,000
58	Industries	18,52,26,000	5,00,000	18,57,26,000
59	Salt	56,02,000	..	56,02,000
60	Other Revenue Expenditure of the Ministry of Industry .	31,11,000	..	31,11,000
61	Ministry of Information and Broadcasting . . .	15,62,000	..	15,62,000
62	Broadcasting . .	5,91,06,000	..	5,91,06,000
63	Other Revenue Expenditure of the Ministry of Information and Broadcasting . .	4,60,56,000	..	4,60,56,000
64	Ministry of International Trade	33,29,000	..	33,29,000
65	Foreign Trade . . .	9,33,34,000	5,000	9,33,39,000
66	Other Revenue Expenditure of the Ministry of International Trade . . .	3,19,51,000	..	3,19,51,000

(1)	(2)	(3)		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
67	Ministry of Irrigation and Power	25,83,000	..	25,83,000
68	Multi-purpose River Schemes .	1,92,03,000	..	1,92,03,000
69	Other Revenue Expenditure of the Ministry of Irrigation and Power	9,01,33,000	..	9,01,33,000
70	Ministry of Labour and Employment . . .	29,57,000	..	29,57,000
71	Chief Inspector of Mines .	34,82,000	..	34,82,000
72	Labour and Employment .	11,28,01,000	..	11,28,01,000
73	Other Revenue Expenditure of the Ministry of Labour and Employment . . .	14,91,000	..	14,91,000
74	Ministry of Law . . .	46,06,000	..	46,06,000
75	Elections	85,90,000	..	85,90,000
76	Other Revenue Expenditure of the Ministry of Law .	2,20,000	..	2,20,000
77	Ministry of Petroleum and Chemicals . . .	17,65,000	..	17,65,000
78	Other Revenue Expenditure of the Ministry of Petroleum and Chemicals . . .	95,09,000	..	95,09,000
79	Ministry of Steel, Mines and Heavy Engineering . .	41,17,000	..	41,17,000
80	Geological Survey . . .	3,54,37,000	..	3,54,37,000
81	Other Revenue Expenditure of the Ministry of Steel, Mines and Heavy Engineering .	38,32,80,000	..	38,32,80,000
82	Ministry of Transport .	1,06,19,000	..	1,06,19,000
83	Meteorology . . .	2,68,12,000	..	2,68,12,000
84	Central Road Fund . .	4,40,47,000	..	4,40,47,000
85	Communications (including National Highways) . .	7,66,37,000	..	7,66,37,000
86	Mercantile Marine . . .	1,29,53,000	..	1,29,53,000
87	Lighthouses and Lightships .	1,09,30,000	..	1,09,30,000
88	Aviation	7,04,22,000	..	7,04,22,000

(1)	(2)	(3)		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
89	Other Revenue Expenditure of the Ministry of Transport	3,07,29,000	..	3,07,29,000
90	Ministry of Works, Housing and Rehabilitation . . .	46,64,000	..	46,64,000
91	Public Works . . .	33,80,21,000	33,08,000	34,13,29,000
92	Stationery and Printing .	11,54,69,000	..	11,54,69,000
93	Expenditure on Displaced Persons . .	8,45,29,000	72,000	8,46,01,000
94	Other Revenue Expenditure of the Ministry of Works, Housing and Rehabilitation .	90,59,000	..	90,59,000
95	Department of Atomic Energy .	19,28,000	..	19,28,000
96	Atomic Energy Research .	9,97,29,000	..	9,97,29,000
97	Department of Parliamentary Affairs . . .	3,65,000	..	3,65,000
98	Department of Posts and Telegraps	9,79,000	..	9,79,000
99	Overseas Communications Service	1,58,71,000	..	1,58,71,000
100	Posts and Telegraphs (Working Expenses) . . .	1,23,77,19,000	30,000	1,23,77,49,000
101	Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds	12,10,77,000	..	12,10,77,000
102	Other Revenue Expenditure of the Department of Posts and Telegraphs . . .	26,50,000	..	26,50,000
103	Department of Supply .	51,52,000	..	51,52,000
104	Supplies and Disposals .	3,53,76,000	..	3,53,76,000
105	Other Revenue Expenditure of the Department of Supply .	10,41,000	..	10,41,000
106	Department of Technical Development . . .	3,08,000	..	3,08,000
107	Other Revenue Expenditure of the Department of Technical Development . . .	44,57,000	..	44,57,000

(1)	(2)	(3)		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
108	Lok Sabha . . .	1,06,09,000	66,000	1,06,75,000
109	Other Revenue Expenditure of Lok Sabha . . .	45,000	..	45,000
110	Rajya Sabha . . .	45,27,000	67,000	45,94,000
	CHARGED.—*Staff, Household and Allowances of the President* .	..	29,46,000	29,46,000
111	Secretariat of the Vice-President	2,17,000	..	2,17,000
	Charged.—*Union Public Service Commission* . . .	..	51,27,000	51,27,000
112	Capital Outlay of the Ministry of Community Development and Co-operation . .	14,00,000		14,00,000
113	Defence Capital Outlay .	1,40,95,00,000	15,00,000	1,41,10,00,00
114	Capital Outlay of the Ministry of Education	5,60,00,000	..	5,60,00,000
115	Capital Outlay of the Ministry of External Affairs . .	1,65,00,000	..	1,65,00,00
116	Capital Outlay on the India Security Press . . .	19,56,000	..	19,56,000
117	Capital Outlay on Currency and Coinage . . .	11,60,73,000	..	11,60,73,0000
118	Capital Outlay on Mints .	33,09,000	..	33,09,000
119	Capital Outlay on Kolar Gold Mines	80,58,000	..	80,58,000
120	Commuted Value of Pensions .	1,23,80,000	1,20,000	1,25,00,000
121	Other Capital Outlay of the Ministry of Finance . .	1,78,27,41,000	..	1,78,27,41,000
122	Capital Outlay on Grants to State and Union Territory Governments for Development	28,22,05,000	..	28,22,05,000
123	Loans and Advances by the Central Government . . .	2,54,12,76,000	6,05,80,33,000	8,59,93,09,000
	CHARGED.—*Repayment of Debt* .	..	61,41,23,70,000	61,41,23,70,000
124	Capital Outlay on Forests .	1,93,000	..	1,93,000
125	Purchase of Foodgrains .	2,50,88,49,000	1,00,000	2,50,89,49,000
126	Other Capital Outlay of the Ministry of Food and Agriculture	73,67,97,000	10,000	73,68,07,000
127	Capital Outlay of the Ministry of Health . . .	10,83,65,000	..	10,83,65,000

(1)	(2)	(3)		
No. of Vote	Services and purposes	Sums not ecexding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
128	Capital Outlay of the Ministry of Home Affairs . . .	75,69,000	..	75,69,000
129	Capital Outlay of the Ministry of Industry . . .	3,12,32,000	..	3,12,32,000
130	Capital Outlay of the Ministry of Information and Broadcasting	2,10,73,000	25,000	2,10,98,000
131	Capital Outlay of the Ministry of International Trade	60,00,000	..	60,00,000
132	Capital Outlay on Multipurpose River Schemes .	10,54,67,000	..	10,54,67,000
133	Other Capital Outlay of the Ministry of Irrigation and Power	9,34,67,000	..	9,34,67,000
134	Capital Outlay of the Ministry of Labour and Employment .	3,71,000	..	3,71,000
135	Capital Outlay of the Ministry of Petroleum and Chemicals .	51,53,41,000	..	51,53,41,000
136	Capital Outlay of the Ministry of Steel, Mines and Heavy Engineering . . .	1,37,86,82,000	..	1,37,86,82,000
137	Capital Outlay on Roads .	59,70,95,000	..	59,70,95,000
138	Capital Outlay on Ports .	2,66,47,000	..	2,66,47,000
139	Capital Outlay on Civil Aviation	4,94,49,000	25,000	4,94,74,000
140	Other Capital Outlay of the Ministry of Transport .	6,88,09,000	..	6,88,09,000
141	Capital Outlay on Pubic Works	9,45,26,000	5,00,000	9,50,26,000
142	Delhi Capital Outlay . .	24,69,08,000	31,92,000	25,01,00,000
143	Other Capital Outlay of the Ministry of Works, Housing and Rehabilitation . .	8,61,95,000	30,000	8,62,25,000
144	Capital Outlay of the Department of Atomic Energy .	19,81,70,000	..	19,81,70,000
145	Capital Outlay on Posts and Telegraphs (not met from Revenue) . . .	42,04,00,000	..	42,04,00,000
146	Other Capital Outlay of the Department of Post and Telegraphs	46,00,000	..	46,00,000
	GRAND TOTAL . .	31,09,24,67,000	72,91,12,83,000	1,04,00,37,50,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund and the grants made by the Lok Sabha for expenditure of the Central Government excluding Railways, for the financial year 1964-65.

T. T. KRISHNAMACHARI.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F.3(33)-B/64, dated the 14th April, 1964 from Shri T. T. Krishnamachari, Minister of Finance to the Secretary, Lok Sabha.]

The President having been informed of the subject matter of the proposed Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1964-65, recommends under article 117(1) and (3) of the Constitution, the introduction of the Appropriation (No. 2) Bill, 1964, in the Lok Sabha and also the consideration of the Bill.

2. The Bill will be introduced in the Lok Sabha after the demands for grants for expenditure of the Central Government (excluding Railways) for the year 1964-65 have been voted.

LOK SABHA

A

BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1964-65.

(Shri T. T. Krishnamachari,
Minister of Finance.)

THE COMPANIES (PROFITS) SURTAX ACT, 1964

AN

ACT

to impose a special tax on the profits of certain companies.

Be it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title and extent.**—(1) This Act may be called the Companies (Profits) Surtax Act, 1964.

(2) It extends to the whole of India.

2. **Definitions.**—In this Act, unless the context otherwise requires,—

(1) "assessee" means a person by whom surtax or any other sum of money is payable under this Act and includes every person in respect of whom any proceeding under this Act has been taken for the assessment of his chargeable profits or of the amount of refund due to him or of the chargeable profits of any other person in respect of which he is assessable or of the amount of refund due to such other person;

(2) "assessment" includes re-assessment;

(3) "assessment year" means the period of twelve months commencing on the 1st day of April, every year;

(4) "Board" means the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963 (54 of 1963);

(5) "chargeable profits" means the total income of an assessee computed under the Income-tax Act, 1961 (43 of 1961), for any previous year or years, as the case may be, and adjusted in accordance with the provisions of the First Schedule;

(6) "Income-tax Act" means the Income-tax Act, 1961 (43 of 1961);

(7) "prescribed" means prescribed by rules made under this Act;

(8) "statutory deduction" means an amount equal to ten per cent. of the capital of the company as computed in accordance with the provisions of the Second Schedule, or an amount of two hundred thousand rupees, whichever is greater;

Provided that where the previous year is longer or shorter than a period of twelve months, the aforesaid amount of ten per cent. or, as the case may be, of two hundred thousand rupees shall be increased or decreased proportionately:

Provided further that where a company has different previous years in respect of its income, profits and gains, the aforesaid increase or decrease, as the case may be, shall be calculated with reference to the length of the previous year of the longest duration; and

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(9) all other words and expressions used herein but not defined and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

3. Tax authorities.—(1) Every Director of Inspection, Commissioner of Income-tax, Appellate Assistant Commissioner of Income-tax, Inspecting Assistant Commissioner of Income-tax and Income-tax Officer shall have the like powers and perform the like functions, under this Act as he has and performs under the Income-tax Act, and for the exercise of his powers and the performance of his functions, his jurisdiction under this Act will be the same as that he has under the Income-tax Act.

(2) All officers and persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board:

Provided that no such orders, instructions or directions shall be given so as to interfere with the discretion of the Appellate Assistant Commissioner in the exercise of his appellate functions.

(3) Every Income-tax Officer, employed in the execution of this Act, shall observe and follow the orders, instructions and directions issued for his guidance by the Director of Inspection or by the Commissioner or by the Inspecting Assistant Commissioner under whose jurisdiction he performs his functions.

4. **Charge of tax.**—Subject to the provisions contained in this Act, there shall be charged on every company for every assessment year commencing on and from the first day of April, 1964, a tax (in this Act referred to as the surtax) in respect of so much of its chargeable profits of the previous year or previous years, as the case may be, as exceed the statutory deduction, at the rate or rates specified in the Third Schedule.

5. **Return of chargeable profits.**—(1) In the case of every company whose chargeable profits assessable under this Act exceeded during the pervious year the amount of statutory deduction, its principal officer, or where in the case of a non-resident company any person has been treated as its agent under section 163 of the Income-tax Act, such person, shall furnish a return of the chargeable profits of the company during the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed before the 30th day of September of the assessment year:

Provided that on an application made in this behalf, the Income-tax Officer may, in his discretion, extend the date for the furnishing of the return.

(2) In the case of any company which in the Income-tax Officer's opinion is assessable under this Act, the Income-tax Officer may, before the end of the relevant assessment year, serve a notice upon its principal officer, or where in the case of a non-resident company any person has been treated as its agent under section 163 of the Income-tax Act, upon such person, requiring him to furnish within thirty days from the date of service of the notice a return of the chargeable profits of the company during the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed:

Provided that on an application made in this behalf, the Income-tax Officer may, in his discretion, extend the date for the furnishing of the return.

(3) Any assessee who has not furnished a return during the time allowed under sub-section (1) or sub-section (2), or having furnished a return under sub-section (1) or sub-section (2) discovers any omission or wrong statement therein, may furnish a return or a revised return, as the case may be, at any time before the assessment is made.

6. **Assessment.**—(1) For the purposes of making an assessment under this Act, the Income-tax Officer may serve on any person who has furnished a return under sub-section (1) of section 5 or upon whom a notice has been served under sub-section (2) of section 5 (whether a return has been furnished or not) a notice requiring him on a date therein to be specified, to produce or cause to be produced such accounts or documents or evidence as the Income-tax Officer may require for the purposes of this Act and may from time to time serve further notices requiring the production of such further accounts or documents or other evidence as he may require.

(2) The Income-tax Officer, after considering such accounts, documents or evidence, if any, as he has obtained under sub-section (1) and after taking into account any relevant material which he has gathered, shall, by an order in writing, assess the chargeable profits and the amount of the surtax payable on the basis of such assessment.

7. **Provisional assessment.**—(1) The Income-tax Officer, before proceeding to make an assessment under section 6 (in this section referred to as the regular assessment) may, at any time after the expiry of the period allowed under sub-section (1) or sub-section (2) of section 5 for the furnishing of the return and whether the return has or has not been furnished, proceed to make in a summary manner a provisional assessment of the chargeable profits and the amount of the surtax payable thereon.

(2) Before making such provisional assessment, the Income-tax Officer shall give notice in the prescribed form to the person on whom the provisional assessment is to be made of his intention to do so, and shall with the notice forward a statement of the amount of the proposed assessment, and the said person shall be entitled to deliver to the Income-tax Officer at any time within fourteen days of the service of the said notice a statement of his objections, if any, to the amount of the proposed assessment.

(3) On expiry of the said fourteen days from the date of service of the notice referred to in sub-section (2), or earlier, if the assessee agrees to the proposed provisional assessment, the Income-tax Officer may, after taking into account the objections, if any, made under sub-section (2), make a provisional assessment, and shall furnish a copy of the order of the assessment to the assessee:

Provided that assent to the amount of the provisional assessment, or failure to make objection to it, shall in no way prejudice the assessee in relation to the regular assessment.

(4) There shall be no right of appeal against a provisional assessment made under this section.

(5) After a regular assessment has been made, any amount paid or deemed to have been paid towards the provisional assessment made under this section shall be deemed to have been paid towards the regular assessment; and where the amount paid or deemed to have been paid towards the provisional assessment exceeds the amount payable under the regular assessment, the excess shall be refunded to the assessee.

8. **Profits escaping assessment.**—If—

(a) the Income-tax Officer has reason to believe that by reason of the omission or failure on the part of the assessee to make a return under section 5 for any assessment year or to disclose fully and truly all material facts necessary for his assessment for any assessment year, chargeable profits for that year have escaped assessment or have been under-assessed or assessed at too low a rate or have been made the subject of excessive relief under this Act, or

(b) notwithstanding that there has been no omission or failure as mentioned in clause (a) on the part of the assessee, the Income-tax Officer has inconsequence of information in his possession reason to believe that chargeable profits assessable for any assessment year have escaped assessment or have been under-assessed or assessed at too low a rate or have been the subject of excessive relief under this Act,

he may, in cases falling under clause (a) at any time, and in cases falling under clause (b) at any time within four years of the end of that assessment year, serve on the assessee a notice containing all or any of the requirements which may be included in a notice under section 5, and may proceed to assess or re-assess the amount chargeable to surtax, and the provisions of this Act shall, so far as may be, apply as if the notice were a notice issued under that section.

9. **Penalties.**—If the Income-tax Officer, in the course of any proceedings under this Act, is satisfied that any person has, without reasonable cause, failed to furnish the return required under section 5, or to produce or cause to be produced the accounts, documents or other evidence required by the Income-tax Officer under sub-section (1) of section 6, or has concealed the particulars of the chargeable profits or has furnished inaccurate particulars of such profits, he may direct that such person shall pay, by way of penalty, in addition to the amount of surtax payable, a sum not exceeding—

(a) where the person has failed to furnish the return required under section 5, the amount of surtax payable;

(b) in any other case, the amount of surtax which would have been avoided if the return made had been accepted as correct:

Provided that the Income-tax Officer shall not impose any penalty under this section without the previous authority of the Inspecting Assistant Commissioner.

10. **Opportunity of being heard.**—No order imposing a penalty under section 9 shall be made unless the assessee has been given a reasonable opportunity of being heard.

11. **Appeals to the Appellate Assistant Commissioner.**—(1) Any person objecting to the amount of surtax for which he is liable as assessed by the Income-tax Officer or denying his liability to be assessed under this Act, or objecting to any penalty or fine imposed by the Income-tax Officer, or to the amount allowed by the Income-tax Officer by way of any relief under any provisions of this Act, or to any refusal by the Income-tax Officer to grant relief or to an order of rectification or amendment having the effect of enhancing the assessment or reducing the refund, or to an order refusing to allow the claim made by the assessee for a rectification under section 13 or amendment under section 14 may appeal to the Appellate Assistant Commissioner.

(2) Every appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(3) An appeal shall be presented within thirty days of the following date, that is to say—

(a) where the appeal relates to assessment or penalty or fine, the date of service of the notice of demand relating to the assessment or penalty or fine, or

(b) in any other case, the date on which the intimation of the order sought to be appealed against is served:

Provided that the Appellate Assistant Commissioner may admit an appeal after the expiration of the said period if he is satisfied that the appellant had sufficient cause for not presenting it within that period.

(4) The Appellate Assistant Commissioner shall hear and determine the appeal and, subject to the provisions of this Act, pass such orders as he thinks fit and such orders may include an order enhancing the assessment or penalty:

Provided that an order enhancing the assessment or penalty shall not be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(5) The procedure to be adopted in the hearing and determination of the appeals shall, with any necessary modification, be in accordance with the procedure applicable in relation to income-tax.

12. **Appeals to Appellate Tribunal.**—(1) Any assessee aggrieved by an order passed by a Commissioner under section 16, or an order passed by an Appellate Assistant Commissioner under any provision of this Act, may appeal to the Appellate Tribunal against such order.

(2) The Commissioner may, if he objects to any order passed by the Appellate Assistant Commissioner under any provision of this Act, direct the Income-tax Officer to appeal to the Appellate Tribunal against the order.

(3) Every appeal under sub-section (1) or sub-section (2) shall be filed within sixty days of the date on which the order sought to be appealed against is communicated to the assessee or to the Commissioner, as the case may be.

(4) The Income-tax Officer or the assessee, as the case may be, on receipt of notice that an appeal against the order of the Appellate Assistant Commissioner has been preferred under sub-section (1) or sub-section (2) by the other party may, notwithstanding that he may not have appealed against such order or any part thereof, within thirty days of the receipt of the notice, file a memorandum of cross-objections, verified in the prescribed manner, against any part of the order of the Appellate Assistant Commissioner, and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (3).

(5) The Appellate Tribunal may admit an appeal or permit the filing of a memorandum of cross-objections after the expiry of the relevant period referred to in sub-section (3) or sub-section (4), if it is satisfied that there was sufficient cause for not presenting it within that period.

(6) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and, shall, except in the case of an appeal referred to in sub-section (2) or a memorandum of cross-objections referred to in sub-section (4), be accompanied by a fee of one hundred rupees.

(7) Subject to the provisions of this Act, in hearing and making an order on any appeal under this section, the Appellate Tribunal shall exercise the same powers and follow the same procedure as it exercises and follows in hearing and making an order on any appeal under the Income-tax Act.

13. **Rectification of mistakes.**—(1) With a view to rectifying any mistake apparent from the record, the Commissioner, the Income-tax Officer, the Appellate Assistant Commissioner and the Appellate Tribunal may, of his, or its, own motion or on an application by the assessee in this behalf, amend any order passed by him or it in any proceeding under this Act within four years of the date on which such order was passed.

(2) An amendment which has the effect of enhancing the assessment or reducing a refund or otherwise increasing the liability of the assessee shall not be made under this section unless the authority concerned has given notice to the assessee of its intention so to do and has allowed the assessee a reasonable opportunity of being heard.

(3) Where an amendment is made under this section, the order shall be passed in writing by the authority concerned.

(4) Subject to the other provisions of this Act, where any such amendment has the effect of reducing the assessment, the Income-tax Officer shall make any refund which may be due to such assessee.

(5) Where any such amendment has the effect of enhancing the assessment or reducing the refund already made, the Income-tax Officer shall serve on the assessee a notice of demand in the prescribed form specifying the sum payable.

14. **Other amendments.**—Where as a result of any order made under section 154 or section 155 of the Income-tax Act, it is necessary to recompute the chargeable profits determined in any assessment under this Act, the Income-tax Officer may proceed to recompute the chargeable profits, and determine the surtax payable or refundable on the basis of such recomputation and make the necessary amendment and the provisions of section 13 shall, so far as may be, apply thereto, the period of four years specified in sub-section (1) of that section being reckoned from the date of the order passed under the aforesaid sections of the Income-tax Act.

15. **Surtax deductible in computing distributable income under Income-tax Act.**—Notwithstanding anything contained in clause (i) of section 109 of the Income-tax Act, in computing the distributable income of a company for the purposes of Chapter XI-D of that Act, the surtax payable by the company for any assessment year shall be deductible from the total income of the company assessable for that assessment year.

16. **Revision of orders prejudicial to revenue.**—(1) The Commissioner may call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by the Income-tax Officer is erroneous in so far as it is prejudicial to the interests of the revenue, he may, after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or cancelling the assessment and directing a fresh assessment.

(2) No order shall be made under sub-section (1)—

(a) to revise an order of re-assessment made under section 8, or

(b) after the expiry of two years from the date of the order sought to be revised.

(3) Notwithstanding anything contained in sub-section (2), an order in revision under this section may be passed at any time in the case of an order which has been passed in consequence of, or to give effect to, any finding or direction contained in an order of the Appellate Tribunal, the High Court or the Supreme Court.

Explanation.—In computing the period of limitation for the purposes of sub-section (2), any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.

17. **Revision of orders by Commissioner.**—(1) The Commissioner may, either of his own motion or on an application by the assessee for revision, call for the record of any proceeding under this Act which has been taken by an Income-tax Officer or Appellate Assistant Commissioner subordinate to him and may make such inquiry or cause such inquiry to be made and, subject to the provisions of this Act, may pass such order thereon, not being an order prejudicial to the assessee, as he thinks fit.

(2) The Commissioner shall not of his own motion revise any order under this section if the order has been made more than one year previously.

(3) In the case of an application for revision under this section by the assessee, the application shall be made within one year from the date on which the order in question was communicated to him or the date on which he otherwise came to know of it, whichever is earlier:

Provided that the Commissioner may, if he is satisfied that the assessee was prevented by sufficient cause from making the application within that period, admit an application made after the expiry of that period.

(4) The Commissioner shall not revise any order under this section in the following cases—

(a) where an appeal against the order lies to the Appellate Assistant Commissioner or to the Appellate Tribunal but has not been made and the time within which such appeal may be made has not expired, or, in the case of an appeal to the Appellate Tribunal, the assessee has not waived his right of appeal; or

(b) where the order is pending on an appeal before the Appellate Assistant Commissioner; or

(c) where the order has been made the subject of an appeal to the Appellate Tribunal.

(5) Every application by an assessee for revision under this section shall be accompanied by a fee of twenty-five rupees.

Explanation 1.—An order by the Commissioner declining to interfere shall, for the purposes of this section, be deemed not to be an order prejudicial to the assessee.

Explanation 2.—For the purposes of this section, the Appellate Assistant Commissioner shall be deemed to be an authority subordinate to the Commissioner.

18. **Application of provisions of Income-tax Act.**—The provisions of the following sections and Schedules of the Income-tax Act and the Income-tax (Certificate Proceedings) Rules, 1962, as in force from time to time, shall apply with such modifications, if any, as may be prescribed, as if the said provisions and the rules referred to surtax instead of to income-tax and super-tax:—

2(44), 131 to 136 (both inclusive), 138, 140, 156, 160, 161, 162, 163, 166, 167, 170, 173, 175, 176, 178, 179, 220 to 229 (both inclusive), 231, 232, 233, 237 to 242 (both inclusive), 244, 245, 254 to 262 (both inclusive), 265, 266, 268, 269, 281, 282, 284, 287 to 293 (both inclusive), the Second Schedule and the Third Schedule:

Provided that references in the said provisions and the rules to the "assessee" shall be construed as references to an assessee as defined in this Act.

19. **Income-tax papers to be available for the purposes of this Act.**—(1) Notwithstanding anything contained in the Income-tax Act, all information contained in any statement or return made or furnished under the provisions of that Act or obtained or collected for the purposes of that Act may be used for the purposes of this Act.

(2) All information contained in any statement or return made or furnished under the provisions of this Act or obtained or collected for the purposes of this Act may be used for the purposes of the Income-tax Act.

20. **Failure to deliver returns, etc.**—If any person fails without reasonable cause to furnish in due time any return under sub-section (2) of section 5, or to produce, or cause to be produced, any accounts or documents required to be produced under section 6, he shall be punishable with fine which may extend to five hundred rupees, and with a further fine which may extend to ten rupees for every day during which the default continues.

21. **False statements.**—If a person makes in any return furnished under section 5, any statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with simple imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

22. **Abetment of false returns, etc.**—If a person makes or induces in any manner another person to make and deliver any account, statement or declaration relating to chargeable profits liable to surtax which is false and which he either knows to be false or does not believe to be true, he shall be punishable with simple imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

23. **Institution of proceedings and composition of offences.**—(1) A person shall not be proceeded against for an offence under section 20 or section 21 or section 22 or under the Indian Penal Code (45 of 1860) except at the instance of the Commissioner.

(2) The Commissioner may, either before or after the institution of proceedings, compound any offence punishable under section 20 or section 21 or section 22.

24. **Power to make exemption, etc., in relation to certain Union territories.**—If the Central Government considers it necessary or expedient so to do for avoiding any hardship or anomaly or removing any difficulty that may arise as a result of the application of this Act to the Union territories of Dadra and Nagar Haveli, Goa, Daman and Diu and Pondicherry, the Central Government may, by general or special order, make an exemption, reduction in rate or other modification in respect of surtax in favour of any class of assessees or in regard to the whole or any part of the chargeable profits of any class of assessees.

25. **Power to make rules.**—(1) The Board may, subject to the control of the Central Government, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form in which returns under section 5 may be furnished and the manner in which they may be verified;

(b) the form in which notice for making provisional assessment shall be given;

(c) the form in which appeals under section 11 or section 12 may be filed and the manner in which they shall be verified;

(d) the procedure to be followed on applications for rectification of mistakes and applications for refunds;

(e) any other matter which by this Act is to be, or may be, prescribed.

(3) The Central Government shall cause every rule made under this section to be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days, which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, that rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

26. **Saving.**—Nothing contained in this Act shall apply to any company which has no share capital.

THE FIRST SCHEDULE

[*See* section 2(5)]

RULES FOR COMPUTING THE CHARGEABLE PROFITS

In computing the chargeable profits of a previous year, the total income computed for that year under the Income-tax Act shall be adjusted as follows:—

1. Income, profits and gains and other sums falling within the following clauses shall be excluded from such total income, namely:—

(i) any income chargeable under the Income-tax Act under the head "Capital gains";

(ii) any compensation or other payment as is referred to in clause (ii) of section 28 of the Income-tax Act;

(iii) profits and gains of any business of life insurance;

(iv) any income referred to in sub-section (2) of section 41 of the Income-tax Act;

(v) the amount of profits and gains derived from an industrial undertaking or hotel, on which under section 84 of the Income-tax Act income-tax is not payable;

(vi) income chargeable under the Income-tax Act under the head "Interest on securities" derived from any security of the Central Government issued or declared to be income-tax free or from any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

(vii) any sum in respect of which a deduction of income-tax is allowed under the provisions of section 88 of the Income-tax Act;

(viii) income by way of dividends from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India;

(ix) income by way of royalties received from Government or a local authority or any Indian concern;

(x) in the case of a non-resident company which has not made the prescribed arrangements for the declaration and payment of dividends within India, its income by way of any interest or fees for rendering technical services received from Government or a local authority or any Indian concern;

(xi) in the case of a banking company—

(a) any sum which during the previous year is transferred by it to a reserve fund under sub-section (1) of section 17 of the Banking Companies Act, 1949 (10 of 1949) or is deposited by it with the Reserve Bank of India under sub-clause (ii) of clause (b) of sub-section (2) of section 11 of that Act, not exceeding the amount required under the aforesaid provisions to be so transferred or deposited, as the case may be, or

(b) any sum transferred by it during the previous year to any reserves in India including reserves not shown as such in its published balance-sheet in so far as the sums transferred to such reserves are attributable to income chargeable to tax under the Income-tax Act and have not been allowed as a deduction in computing its total income under that Act and in so far as the aggregate of such sums does not exceed the highest of the aggregate of such sums, if any, so transferred during any one of the three years prior to the previous year, whichever is higher;

(xii) the amount of any deduction from the income-tax and super tax chargeable on the total income allowed under the annual Finance Act in connection with export of any goods or merchandise out of India or the sale by a manufacturer of any articles to any person who exports them out of India.

2. The balance of the total income arrived at after making the exclusions mentioned in rule 1 shall be reduced by—

(i) the amount of income-tax and super-tax payable by the company in respect of its total income under the provisions of the Income-tax Act after making allowance for any relief, rebate or deduction in respect of income-tax and super-tax to which the company may be entitled under the provisions of the said Act or the annual Finance Act, and after excluding from such amount—

(a) the amount of income-tax and super-tax, if any, payable by the company in respect of any income referred to in clause (i) or clause (ii) or clause (iii) or clause (viii) of rule 1 included in the total income;

(b) an amount equal to the amount by which the rebate of super-tax admissible to the company under the provisions of the annual Finance Act is, under the provisions of the said Act, reduced with reference to any amount of dividends distributed by the company during the previous year relevant to the assessment year;

(ii) in the case of a company which has been charged to tax in a country outside India on any portion of its income, profits and gains included in its total income as computed under the Income tax Act, the tax actually paid in respect of such income, profits and gains in the said country in accordance with the laws in force in that country after allowance of every relief due under the said laws:

Provided that the aforesaid reduction shall not be allowed unless the assessee produces evidence of the fact of the payment of the aforesaid tax in that country.

3. The net amount of income calculated in accordance with rule 2 shall be increased by the aggregate of—

(i) the amount of any interest payable by the company in respect of its debentures or moneys referred to in clause (v) of rule 1 of the Second Schedule for the previous year relevant to the assessment year allowed as a deduction in in computing its total income;

(ii) any expenditure incurred on account of commission, entertainment and advertisement, to the extent such expenditure, in the opinion of the Income-tax Officer, is excessive having regard to the circumstances of the case:

Provided that the previous authority of the Inspecting Assistant Commissioner is obtained for holding such expenditure to be excessive.

THE SECOND SCHEDULE

[*See* section 2(8)]

RULES FOR COMPUTING THE CAPITAL OF A COMPANY FOR THE PURPOSES OF SURTAX

1. Subject to the other provisions contained in this Schedule, the capital of a company shall be the aggregate of the amounts, as on the first day of the previous year relevant to the assessment year, of—

(i) its paid-up share capital;

(ii) its reserves, if any, created under the proviso (b) to clause (vib) of sub-section (2) of section 10 of the Indian Income-tax Act, 1922 (11 of 1922) or under sub-section (3) of section 34 of the Income-tax Act, 1961 (43 of 1961).

(iii) its other reserves as reduced by the amounts credited to such reserves as have been allowed as a deduction in computing the income of the company for the purposes of the Indian Income-tax Act, 1922 (11 of 1922) or the Income-tax Act, 1961 (43 of 1961).

(iv) its debentures, if any; and

(v) any moneys borrowed by it from Government or the Industrial Finance Corporation of India or the Industrial Credit and Investment Corporation of India or any other financial institution which the Central Government may notify in this behalf in the Official Gazette or any banking institution (not being a financial institution notified as aforesaid) or any person in a country outside India:

Provided that such moneys are borrowed for the creation of a capital asset in India and the agreement under which such moneys are borrowed provides for the repayment thereof during a period of not less than seven years.

Explanation.—For the removal of doubts it is hereby declared that any amount standing to the credit of any account in the books of a company as on the first day of the previous year relevant to the assessment year which is of the nature of item (5) or item (6) or item (7) under the heading "RESERVES AND SURPLUS" or of any item under the heading "CURRENT LIABILITIES AND PROVISIONS" in the column relating to "Liabilities" in the "FORM OF BALANCE SHEET" given in Part I of

Schedule VI to the Companies Act, 1956 (1 of 1956) shall not be regarded as a reserve for the purposes of computation of the capital of a company under the provisions of this Schedule.

2. Where a company owns any assets the income from which in accordance with clause (iii) or clause (vi) or clause (viii) of rule 1 of the First Schedule is required to be excluded from its total income in computing its chargeable profits, the amount of its capital as computed under rule 1 of this Schedule shall be diminished by the cost to it of the said assets as on the first day of the previous year relevant to the assessment year in so far as such cost exceeds the aggregate of—

(i) any moneys borrowed [other than the debentures referred to in clause (iv) or moneys referred to in clause (v) of rule 1] and remaining outstanding as on the first day of the said previous year; and

(ii) the amount of any fund, any surplus and any such reserve as is not to be taken into account in computing the capital under rule 1.

Explanation 1.—A paid-up share capital or reserve brought into existence by creating or increasing (by revaluation or otherwise) any book asset is not capital for computing the capital of a company for the purposes of this Act.

Explanation 2.—Any premium received in cash by the company on the issue of its shares standing to the credit of the share premium account shall be regarded as forming part of its paid-up share capital.

Explanation 3.—Where a company has different previous years in respect of its income, profits and gains, the computation of capital under rules 1, 2 and 3 shall be made with reference to the previous year which commenced first.

3. Where after the first day of the previous year relevant to the assessment year the capital of a company as computed in accordance with the foregoing rules of this Schedule is increased by any amount during that previous year on account of increase of paid-up share capital or issue of debentures or borrowing of any moneys referred to in clause (v) of rule 1 or is reduced by any amount on account of reduction of paid-up share capital or redemption of any debentures or repayment of any such moneys, such capital shall be increased or reduced, as the case may be, by a sum which bears to that amount the same proportion as the number of days of the previous year during which the increase or the reduction remained effective bears to the total number of days in that previous year.

4. Where a part of the income, profits and gains of a company is not includible in its total income as computed under the Income-tax Act, its capital shall be the sum ascertained in accordance with rules 1, 2 and 3, diminished by an amount which bears to that sum the same proportion as the amount of the aforesaid income, profits and gains bears to the total amount of its income, profits and gains.

THE THIRD SCHEDULE

(*See* section 4)

RATES OF SURTAX

1. On the amount by which the chargeable profits exceed the amount of the statutory deduction— 40 per cent.

Provided that where the total income of an assessee, being an Indian company or any other company which has made the prescribed arrangements for the declaration and payment of dividends within India, includes any income, profits and gains attributable to the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in paragraph 2, the assessee shall be entitled to a rebate equal to a sum of one-fifth of the amount which bears to the amount of the surtax payable by the assessee, the same proportion as the amount of the aforesaid inclusion bears to the amount of the total income of the assessee:

Provided further that if the Central Government, having regard to the stage of development of any industry and other relevant factors, considers it necessary or expedient so to do, it may, at any time by general or special order withdraw the benefit conferred by the preceding proviso in respect of the business of generation or distribution of electricity or of manufacture or production of any article specified in the said list or extend such benefit to any other business and such order shall have effect for the purposes of assessment under this Act for any such assessment year (not being the assessment year commencing on the first day of April, 1964) as may be specified in the said order.

2. The list of articles referred to in paragraph 1 shall be as follows:—

(1) Iron and steel (metal), ferro-alloys and special steels.

(2) Aluminium, copper, lead and zinc (Metals).

(3) Coal, lignite, iron ore, bauxite, manganese ore, dolomite, magnesite and mineral oil.

(4) Industrial machinery specified under the heading "8. Industrial Machinery", sub-heading "A. Major items of specialised equipment used in specific industries", of the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951).

(5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.

(6) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers.

(7) Machine tools, precision tools, dies and jigs.

(8) Tractors and earth-moving machinery.

(9) Steel castings and forgings.

(10) Cement and refractories.

(11) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (double salt), ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and

phosphorous, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.

(12) Paper and pulp.

(13) Tea.

(14) Electronic equipment, namely, radar equipment, computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensors, coils, magnetic materials and micro wave components.

(15) Petrochemicals including corresponding products manufactured from other basic raw materials, namely, calcium carbide, ethyl alcohol or hydrocarbons from other sources.

(16) Component parts of the articles mentioned in items Nos. (4), (5), (6) and (8), that is to say, such parts as are essential for the working of the machinery referred to in items aforesaid and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and are in complete finished form and ready for fitment.

LOK SABHA

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BALL

to impose a special tax on the profits of certain companies.

(*As passed by Both Houses*)

THE FINANCE ACT, 1964

AN

ACT

to give effect to the financial proposals of the Central Government for the financial year 1964-65

Be it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Finance Act, 1964.

(2) Save as otherwise provided in this Act, sections 3 to 55 shall be deemed to have come into force on the 1st day of April, 1964.

2. **Income-tax and super-tax.**—(1) Subject to the provisions of sub-sections (2), (3), (4) and (5), for the assessment year commencing on the 1st day of April, 1964.—

(a) income-tax shall be charged at the rates specified in Part I of the First Schedule and, in the cases to which Paragraphs A, B, C and E of that Part apply, shall be increased by a surcharge for purposes of the Union calculated in either case in the manner provided therein;

(b) super-tax shall, for the purposes of section 95 of the Income-tax Act, 1961 (43 of 1961), (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union calculated in the manner provided therein.

(2) In making any assessment for the assessment year commencing on the 1st day of April, 1964,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries", the income-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1963 (13 of 1963), on his total income the same proportion as the amount of such inclusion bears to his total income;

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (1) of section 192 of the Income-tax Act, the super-tax payable by the assessee on

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that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance Act, 1963 (13 of 1963), on his total income the same proportion as the amount of such inclusion bears to his total income.

(3) In making any assessment for the assessment year commencing on the 1st day of April, 1964, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), includes any profits and gains from life insurance business, the super-tax payable by it shall be the aggregate of the tax calculated—

(i) on the amount of profits and gains from life insurance business so included, at the rate applicable to the Life Insurance Corporation of India in accordance with Paragraph E of Part II of the First Schedule; and

(ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(4) In cases to which Chapter XII of the Income-tax Act applies, the tax chargeable shall be determined as provided in that Chapter, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter, as the case may be.

(5) (a) In respect of any assessment for the assessment year commencing on the 1st day of April, 1964—

(i) an assessee being an Indian company or any other company which has made the prescribed arrangements for the declaration and payment of dividends within India or an assessee (other than a company) whose total income includes any profits and gains derived from the export of any goods or merchandise out of India, shall be entitled to a deduction from the amount of income-tax and super-tax with which he is chargeable, of an amount equal to the income-tax and super-tax calculated respectively at one-tenth of the average rate of income-tax and of the average rate of super-tax on the amount of such profits and gains included in the total income;

(ii) where an assessee of the type referred to in sub-clause (i) engaged in the manufacture of any articles in an industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951), has exported after the 28th day of February, 1963, such articles out of India, he shall be entitled, in addition to the deduction of tax referred to in sub-clause (i), to a further deduction, from the amount of tax with which he is chargeable for the assessment year, of an amount equal to the income-tax and super-tax calculated respectively at the average rate of income-tax and the average rate of super-tax on an amount equal to two per cent of the sale proceeds receivable by him in respect of such export;

(iii) where an assessee of the type referred to in sub-clause (i) engaged in the manufacture of any articles in an industry specified in the said First Schedule has sold after the 28th of February, 1963, such articles to any other person in India who himself has exported them out of India and evidence is produced before the Income-tax Officer of such articles having been so exported, the assessee shall be entitled to a deduction from the amount of income-tax and super-tax with which he is chargeable for the assessment year of an amount equal to the income-tax and super-tax calculated respectively at the average rate of income-tax and the average rate of super-tax on a sum equal to two per cent of the sale proceeds receivable by him in respect of such articles from the exporter.

(b) The total of the deductions under this sub-section shall in no case exceed the amount of income-tax and super-tax otherwise payable by the assessee.

(c) Nothing contained in sub-clause (ii) and sub-clause (iii) of clause (a) shall apply,—

(i) in relation to—

(1) fuels,

(2) fertilisers,

(3) photographic raw film and paper;

(4) textiles (including those dyed, printed or otherwise processed) made wholly or in part of jute, including jute twine and rope,

(5) newsprint,

(6) pulp—wood pulp, mechanical, chemical, including dissolving pulp,

(7) sugar,

(8) vegetable oils and vanaspathi,

(9) cement and gypsum products,

(10) arms and ammunition, and

(11) cigarettes,

respectively specified in items 2, 18, 20, 23(2), 24(2), 24(5), 25, 28, 35, 37 and 38 of the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951); or

(ii) in relation to textiles specified in items 23(1), 23(3), 23(4) and 23(5) of that Schedule where such textiles have been exported before the 1st day of March, 1964.

(d) The amount of any profits and gains derived from the export of any goods or merchandise out of India in respect of which deduction of income-tax and super-tax is admissible under sub-clause (i) of clause (a) shall be computed in accordance with the rules made by the Central Board of Direct Taxes in this behalf.

(6) In cases in which tax has to be deducted under sub-section (2) of section 192 and sections 193 to 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part III of the First Schedule.

(7) For the purposes of this section, and of the rates of tax imposed thereby, and of section 3—

(i) the expressions "assessment year", "average rate of income-tax", "average rate of super-tax", "partner", "tax" and "total income" have, unless the context otherwise requires, the meanings respectively assigned to them under clauses (9), (10), (11), (23), 43 and 45 of section 2 of the Income-tax Act;

(ii) the expression "earned income" has the same meaning as in section 2 of the Finance (No. 2) Act, 1962 (20 of 1962).

3. **Annuity deposit.**—(1) Save as otherwise provided in Chapter XXIIA of the Income-tax Act, annuity deposit for the assessment year commencing on the 1st day of April, 1964, shall be made by every person to whom the provisions of that Chapter apply at the rates specified in the Second Schedule.

(2) For the purposes of this section and the Second Schedule, the expressions "adjusted total income", "annuity deposit" and "depositor" have the meanings respectively assigned to them under clauses (1), (5) and (6) of section 280B of the Income-tax Act.

4. **Amendment of section 2.**—In section 2 of the Income-tax Act,—

(a) in clause (18),—

(i) for sub-clause (a), the following sub-clause shall be substituted, namely:—

"(a) if it is a company owned by the Government or the Reserve Bank of India or in which not less than forty per cent. of the shares are held (whether singly or taken together) by the Government or the Reserve Bank of India or a corporation owned by that bank; or";

(ii) in Explanation 2, for the words, brackets and figures "any such company as is referred to in sub-clause (2) of clause (iii) of section 109", the words "an Indian company whose business consists wholly in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power" shall be substituted;

(b) after clause (22), the following clause shall be inserted, namely:—

'(22A) "fair market value", in relation to a capital asset, means—

(i) the price that the capital asset would ordinarily fetch on sale in the open market on the relevant date; and

(ii) where the price referred to in sub-clause (i) is not ascertainable, such price as may be determined in accordance with the rules made under this Act;';

(c) in clause (24)—

(i) after sub-clause (v), the following sub-clause shall be inserted, namely:—

"(va) the value of any benefit or perquisite taxable under clause (iv) of section 28;";

(ii) after sub-clause (vii), the following sub-clause shall be inserted, namely:—

"(viii) any annuity due, or commuted value of any annuity paid, under the provisions of section 280D;".

5. **Amendment of section 9.**—In section 9 of the Income-tax Act, in the Explanation to clause (i) of sub-section (1), the proviso to clause (b) shall be omitted.

6. **Amendment of section 10.**—In section 10 of the Income-tax Act,—

(i) in clause (4), after the words "in the case of a non-resident,", the following words shall be inserted, namely:—

"any income from interest on such securities as the Central Government may, by notification in the Official Gazette, specify in this behalf, or";

(ii) in clause (6),—

(a) in sub-clause (vii)(a), for the words "was approved by the Central Government before the commencement of his service", the words "is approved by the Central Government before the commencement of his service or within one year of such commencement" shall be substituted;

(b) after sub-clause (viii), the following sub-clauses shall be inserted, namely:—

"(ix) any income chargeable under the head "Salaries" received by or due to him during the thirty-six months commencing from the date of his arrival in India for service rendered as a professor or other teacher in a University or other educational institution, and where any such individual continues to remain in employment in India after the expiry of the thirty-six months aforesaid and the tax on his income chargeable under the head "Salaries" is paid by the University or other educational institution concerned to the Central Government, the tax so paid for a period not exceeding twenty-four months following the expiry of the thirty-six months aforesaid, provided in either case the following conditions are fulfilled, namely:—

(i) such individual was not resident in any of the four financial years immediately preceding the financial year in which he arrived in India; and

(ii) his contract of service is approved by the Central Government—

(a) on or before the 1st day of October, 1964, in the case of a professor or other teacher whose service commenced before the 1st day of April, 1964;

(b) before the commencement of his service or within one year of such commencement, in any other case;

(x) any sum due to or received by him, during the twenty-four months commencing from the date of his arrival in

India, for undertaking any research work in India, provided the following conditions are fulfilled, namely:—

(a) the research work is undertaken in connection with a research scheme approved in this behalf by the Central Government on or before the 1st day of October of the relevant assessment year; and

(b) such sum is payable or paid directly or indirectly by the Government of a foreign State or any institution or association or other body established outside India;";

(iii) in sub-clause (iv) (c) of clause (15), for the words beginning with "in any case" and ending with "its repayment", the following shall be substituted, namely:—

"to the extent to which such interest does not exceed the amount of interest calculated at the rate approved by the Central Government in this behalf, having regard to the terms of the loan or debt and its repayment";

(iv) after clause (26), the following clause shall be inserted, namely:—

"(27) any income derived from a business of livestock breeding, or poultry or dairy farming, which is assessable for the assessment year commencing on the 1st day of April, 1965, 1966 or 1967.".

7. **Amendment of section 28.**—In section 28 of the Income-tax Act, after clause (iii) and before *Explanation* 1, the following clause shall be inserted, namely:—

"(iv) the value of any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession.".

8. **Amendment of section 33.**—In section 33 of the Income-tax Act,—

(i) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) (a) An assessee who, after the 31st day of March, 1964, acquires any ship which before the date of acquisition by him was used by any other person shall, subject to the provisions of section 34, also be allowed as a deduction a sum by way of development rebate at such rate or rates as may be prescribed, provided that the following conditions are fulfilled, namely:—

(i) such ship was not previous to the date of such acquisition owned at any time by any person resident in India;

(ii) such ship is wholly used for the purposes of the business carried on by the assessee; and

(iii) such other conditions as may be prescribed.

(b) An assessee who instals any machinery or plant (other than office appliances or road transport vehicles) which before such installation by the assessee was used outside India by any other person shall, subject to the provisions of section 34, also be allowed as a deduction a sum by way of development rebate at such rate or rates as may be

prescribed, provided that the following conditions are fulfilled, namely:—

(i) such machinery or plant was not used in India at any time previous to the date of such installation by the assessee;

(ii) it is imported in India by the assessee from any country outside India;

(iii) no deduction on account of depreciation or development rebate in respect of such machinery or plant has been allowed or is allowable under the provisions of the Indian Income-tax Act, 1922 (11 of 1922) or this Act in computing the total income of any person for any period prior to the date of the installation of the machinery or plant by the assessee;

(iv) such machinery or plant is wholly used for the purposes of the business carried on by the assessee; and

(v) such other conditions as may be prescribed.

(c) The development rebate under this sub-section shall be allowed as a deduction in respect of the previous year in which the ship was acquired or the machinery or plant was installed or, if the ship, machinery or plant is first put to use in the immediately succeeding previous year, then, in respect of that previous year.";

(ii) for the words, brackets and figure "under sub-section (1)" wherever they occur, the words, brackets, figures and letter "under sub-section (1) or sub-section (1A)" shall be substituted;

(iii) in sub-section (2), for the words "at the rate applicable thereto under that sub-section", the words, brackets, figures and letter "at the rate applicable thereto under sub-section (1) or sub-section (1A), as the case may be" shall be substituted;

(iv) in clause (b) of sub-section (3), for the words and figures "section 33 and section 34", the words and figures "this section and section 34" shall be substituted;

(v) after sub-section (4), the following sub-section shall be inserted, namely:—

"(5) The Central Government, if it considers necessary or expedient so to do, may, by notification in the Official Gazette, direct that the deduction allowable under this section shall not be allowed in respect of a ship acquired or machinery or plant installed after such date, not being earlier than three years from the date of such notification, as may be specified therein.".

9. **Amendment of section 37.**—In section 37 of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) Notwithstanding anything contained in sub-section (1), any expenditure incurred by an assessee after the 31st day of March, 1964 on advertisement or on maintenance of any residential accommodation including any accommodation in the

nature of a guest house or in connection with travelling by an employee or any other person (including hotel expenses or allowances paid in connection with such travelling) shall be allowed only to the extent, and subject to such conditions, if any, as may be prescribed.".

10. **Amendment of section 40.**—In section 40 of the Income-tax Act, in clause (c),—

(1) for sub-clause (iii), the following sub-clause shall be substituted, namely:—

"(iii) any expenditure incurred after the 29th day of February, 1964 which results directly or indirectly in the provision of any benefit or amenity or perquisite, whether convertible into money or not, to an employee (including any sum paid by the company in respect of any obligation which but for such payment would have been payable by such employee), to the extent such expenditure exceeds one-fifth of the amount of salary payable to the employee for any period of his employment after the aforesaid date:

Provided that in computing the aforesaid expenditure any payment by way of gratuity or the value of any travel concession or assistance referred to in clause (5) of section 10 or passage moneys or the value of any free or concessional passage referred to in sub-clause (i) of clause (6) of that section or any sum referred to in clause (vii) of sub-section (1) of section 17 or in clause (v) of sub-section (2) of that section or the amount of any compensation referred to in clause (i) or any payment referred to in clause (ii) of sub-section (3) of that section or any payment referred to in clause (iv) or clause (v) of sub-section (1) of section 36 shall not be taken into account.";

(2) the existing Explanation shall be re-numbered as Explanation 1 and after Explanation 1 as so re-numbered, the following section shall be inserted, namely:—

'*Explanation* 2.—In sub-section (iii), the word "salary" shall have the meaning assigned to it in clause (h) of rule 2 of Part A of the Fourth Schedule.'.

11. **Insertion of new section 44A.**—In Chapter IV-D of the Income-tax Act, after section 44, the following section shall be inserted, namely:—

'44A. **Special provision for deduction in the case of trade, professional or similar association.**—(1) Notwithstanding anything to the contrary contained in this Act, where the amount received during a previous year by any trade, professional or similar association from its members, whether by way of subscription or otherwise (not being remuneration received for rendering any specific services to such members) falls short of the expenditure incurred by such association during that previous year (not being expenditure deductible in computing the income under any other provision of this Act and not being in the nature of capital expenditure) solely for the purposes of protection or advancement of the common interests of its members, the amount so fallen short (hereinafter referred to as deficiency) shall, subject to the provisions of this section, be allowed as a deduction in computing

the income of the association assessable for the relevant assessment year under the head "Profits and gains of business or profession" and if there is no income assessable under that head or the deficiency allowable exceeds such income, the whole or the balance of the deficiency, as the case may be, shall be allowed as a deduction in computing the income of the association assessable for the relevant assessment year under any other head.

(2) In computing the income of the association for the relevant assessment year under sub-section (1), effect shall first be given to any other provision of this Act under which any allowance or loss in respect of any earlier assessment year is carried forward and set off against the income for the relevant assessment year.

(3) The amount of deficiency to be allowed as a deduction under this section shall in no case exceed one-half of the total income of the association as computed before making any allowance under this section.

(4) This section applies only to that trade, professional or similar asso iation the income of which or any part thereof is not distributed to its members except as grants to any association or institution affiliated to it.

12. **Amendment of section 45.**—In the Income-tax Act, section 45 shall be re-numbered as sub-section (1) thereof and after sub-section (1) as so re-numbered, the following sub-sections shall be inserted, namely:—

'(2) Notwithstanding anything contained in sub-section (1), every equity shareholder to whom any shares are allotted by the company by way of bonus shall, unless such shares are issued wholly out of the share premium account, be chargeable to income-tax under the head "Capital gains" in respect of such shares on an amount equal to the fair market value of such shares on the date next following the expiry of the period of thirty days from the date of such allotment and such amount shall be deemed to be the income of the previous year in which the date next following the aforesaid period of thirty days falls:

Provided that income-tax shall not be chargeable under this sub-section if such shares are included in the stock-in-trade of the assessee or if such shares were allotted before the 1st day of April, 1964:

Provided further that nothing contained in section 48 shall apply to the income chargeable under the head "Capital gains" under this sub-section.

Explanation.—For the removal of doubts, it is hereby declared that income chargeable under the head "Capital gains" under this sub-section shall, for the purposes of this Act, be treated as capital gains relating to capital assets other than short-term capital assets.

(3) Where any shares in respect of which an assessee is chargeable to income-tax under the head "Capital gains" under

sub-section (2) are transferred by him before the expiry of the period of thirty days referred to in that sub-section, any profits or gains arising from such transfer shall not be included in his total income.

(4) Save as otherwise provided in sub-section (3), nothing contained in sub-section (2) shall be deemed to preclude the inclusion of any profits and gains arising from the transfer of any shares referred to in that sub-section in the total income of the assessee for any previous year in which such shares are transferred by him.'.

13. **Amendment of section 52.**—In the Income-tax Act, section 52 shall be re-numbered as sub-section (1) thereof and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

"(2) Without prejudice to the provisions of sub-section (1), if in the opinion of the Income-tax Officer the fair market value of a capital asset transferred by an assessee as on the date of the transfer exceeds the full value of the consideration declared by the assessee in respect of the transfer of such capital asset by an amount of not less than fifteen per cent. of the value so declared, the full value of the consideration for such capital asset shall, with the previous approval of the Inspecting Assistant Commissioner, be taken to be its fair market value on the date of its transfer.".

14. **Amendment of section 55.**—In section 55 of the Income-tax Act, in sub-section (2), after clause (iii), the following clauses shall be inserted, namely:—

'(iv) where the capital asset, being a share of a company, was allotted to the assessee by way of bonus and the assessee is chargeable to income-tax under the head "Capital gains" in respect of such share under sub-section (2) of section 45 and such asset is transferred after the expiry of thirty days referred to in that sub-section, means the fair market value of the asset on the date next following the expiry of the said thirty days;

(v) where the capital asset, being a share or a stock of a company, became the property of the assessee on—

(a) the consolidation and division of all or any of the share capital of the company into shares of larger amount than its existing shares,

(b) the conversion of any shares of the company into stock,

(c) the reconversion of any stock of the company into shares,

(d) the sub-division of any of the shares of the company into shares of smaller amount, or

(e) the conversion of one kind of shares of the company into another kind,

means the cost of acquisition of the asset calculated with reference to the cost of acquisition of the shares or stock from which such asset is derived.'.

15. **Amendment of section 66.**—In section 66 of the Income-tax Act, for the words and figures "sections 87 and 88", the words, figures and letter "sections 87, 87A and 88" shall be substituted.

16. **Insertion of new section 69A.**—After section 69 of the Income-tax Act, the following section shall be inserted, namely:—

"69A. **Unexplained money, etc.**—Where in any financial year, the assessee is found to be the owner of any money, bullion, jewellery or other valuable article and such money, bullion, jewellery or valuable article is not recorded in the books of account, if any, maintained by him for any source of income, and the assessee offers no explanation about the nature and source of acquisition of the money, bullion, jewellery or other valuable article, or the explanation offered by him is not, in the opinion of the Income-tax Officer, satisfactory, the money and the value of the bullion, jewellery or other valuable article may be deemed to be the income of the assessee for such financial year.".

17. **Amendment of section 86.**—In section 86 of the Income-tax Act, in clause (iii), for the words "income-tax has already been paid by the firm", the words "income-tax is payable by the firm" shall be substituted.

18. **Amendment of section 87.**—In section 87 of the Income-tax Act,—

(i) in sub-section (3),—

(a) to clause (i), the following proviso shall be added, namely:—

"Provided that such individual has effected an insurance referred to in sub-clause (i) of clause (a) of sub-section (1) prior to the first day of March, 1964 and has paid any sum in the previous year to keep in force such insurance.";

(b) in clause (ii), after the words "any other individual", the brackets, words and figure "[including an author, playwright, artist, musician or actor to whom the provisions of clause (i) do not apply]" shall be inserted;

(ii) after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) The amount of income-tax deductible under this section, together with the amount of super--tax deductible under section 99A, shall not in any case exceed half the aggregate of the sums in respect of which the deduction is allowed under this section.".

19. **Insertion of new section 87A.**—After section 87 of the Income-tax Act, the following section shall be inserted, namely:—

"87A. **Rebate on educational expenses in certain cases.**—Where an individual, being a resident, who is not a citizen of India has expended any sum in the previous year out of his income chargeable to tax for the full-time education of his child wholly or mainly dependent on him and who is not more than twenty-one years of age at any University, college, school or other educational institution situate in a country outside India, he shall be entitled to a deduction, from the amount of income-tax on his total income with which he is chargeable for any assessment year, of an

amount equal to the income-tax calculated at the average rate of income-tax on a sum—

(i) which, in the case of an individual who has one such child, shall not exceed two thousand rupees or twenty-five per cent. of his total income, whichever is less; and

(ii) which, in the case of an individual who has more than one such child, shall not exceed four thousand rupees or twenty-five per cent. of his total income, whichever is less.".

20. **Amendment of section 91.**—In section 91 of the Income-tax Act, in clause (ii) of the Explanation, for the words "any relief due under this section", the words "any relief due under this Chapter" shall be substituted.

21. **Amendment of section 99.**—In section 99 of the Income-tax Act, in sub-section (1),—

(i) in clause (i), for the words "super-tax has already been paid by the firm", the words "super-tax is payable by the firm" shall be substituted;

(ii) for clause (iv), the following clause shall be substituted, namely:—

"(iv) if the assessee is a company, any dividend received by it from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends (including dividends on preference shares) within India;".

22. **Insertion of new sections 99A and 99B.**—In Chapter XI-C of the Income-tax Act, before section 100, the following sections shall be inserted, namely:—

"99A. **Rebate on life insurance premia, annuities and contributions to provident funds, etc.**—Where under the provisions of section 87, an assessee is entitled to a deduction of income-tax in respect of any sum referred to in sub-section (1) of that section, he shall also be entitled, subject to the provisions of sub-section (4) of that section, to a deduction, from the amount of super-tax with which he is chargeable on his total income, of an amount equal to the super-tax calculated at the average rate of super-tax on such sum.

99B. **Rebate of super-tax in certain cases.**—Where under the provisions of section 87A, an individual, being a resident, who is not a citizen of India is entitled to a deduction of income-tax in respect of any sum referred to in that section, he shall also be entitled to a deduction, from the amount of super-tax with which he is chargeable on his total income, of an amount equal to the super-tax calculated at the average rate of super-tax on such sum.".

23. **Amendment of section 104.**—In section 104 of the Income-tax Act,—

(i) in sub-section (1), for the words, brackets and figures "sub-section (2) and of sections 105, 106 and 107", the words, figures and letter "this section and of sections 105, 106, 107 and 107A" shall be substituted;

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) If the Central Government is of opinion that it is necessary or expedient in the public interest so to do, it may by notification in the Official Gazette and subject to such conditions as may be specified therein, exempt any class of companies to which the provisions of this section apply from the operation of this section.

(4) Without prejudice to the provisions of section 108, nothing contained in this section shall apply to—

(a) an Indian company whose business consists wholly or mainly in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power;

(b) an Indian company, the value of whose capital assets, being machinery or plant (other than office appliances or road transport vehicles), as shown in its books on the last date of the relevant previous year is fifty lakhs of rupees or more.

Explanation.—For the purposes of clause (a) of this sub-section, the business of a company shall be deemed to consist mainly in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power, if the income attributable to any of the aforesaid activities included in its total income for the relevant previous year is not less than fifty-one per cent. of such total income.".

24. **Amendment of section 106.**—To section 106 of the Income-tax Act, the following proviso shall be added, namely:—

"Provided that the period of limitation prescribed by this section shall not apply in a case where the company has made an application to the Board under section 107A.".

25. **Amendment of section 107.**—In section 107 of the Income-tax Act, for the words "No order shall be made", the words, brackets, figures and letter "Except in cases where a decision is given by the Board under sub-section (4) of section 107A, no order shall be made" shall be substituted.

26. **Insertion of new section 107A.**—After section 107 of the Income-tax Act, the following section shall be inserted, namely:—

"107A. **Reduction of minimum distribution in certain cases.**—(1) If any company to which the provisions of section 104 apply (not being an investment company) considers that, having regard to the current requirements for the development of its business, it would not be possible or advisable for it to declare or pay a dividend of an amount larger than that already declared or paid or proposed to be declared or paid by it, it may make an application to the Board for reduction of the amount of the minimum distribution required under this Chapter.

(2) Every application under sub-section (1) shall be in the prescribed form and shall be verified in the prescribed manner

and shall be made within the period of twelve months referred to in sub-section (1) of section 104 or, where the Income-tax Officer has served on the company a notice under sub-section (1) of section 105 of his intention to make an order under section 104, within thirty days of the receipt of such notice.

(3) Every application under sub-section (1) shall be accompanied by a fee of one hundred rupees.

(4) If the Board is satisfied that a distribution equal to the statutory percentage of the distributable income of the company concerned would be unreasonable, it may reduce the amount of minimum distribution required of the company under this Chapter by such amount, not exceeding twenty per cent. of the statutory percentage of its distribution income, as it may consider fit and further determine the period within which such distribution shall be made.

(5) The Board shall not reject an application made under sub-section (1) without giving the company concerned an opportunity of being heard and its decision shall be final as respects matters concluded by it.

(6) Where an application is made by the company after receipt of a notice from the Income-tax Officer under sub-section (1) of section 105 and a further distribution is made in accordance with the decision thereon of the Board, such further distribution shall not be taken into account in deciding whether the provisions of section 104 apply in respect of the previous year in which the further distribution is made.

(7) Where an application is made by a company under this section, the Income-tax Officer shall not make any order under section 104 until the decision is given by the Board on that application:

Provided that where a company is required to make a distribution or further distribution of its profits and gains in accordance with the decision of the Board and fails to make such distribution or further distribution within the period determined thereunder, the Income-tax Officer shall make an order under section 104 as if no reduction of the amount of minimum distribution had been made by the Board under this section.

(8) If the Central Government is of opinion that it is necessary or expedient in the public interest so to do, it may, by notification in the Official Gazette, declare that the provisions of this section shall not apply to any class of companies or in regard to the whole or any part of the profits and gains of any class of companies.

(9) Notwithstanding anything contained in section 246, no appeal shall lie to the Appellate Assistant Commissioner against an order of the Income-tax Officer under section 104 in a case where a decision has been given by the Board.

(10) The Board may, by notification in the Official Gazette, direct that, subject to such conditions, if any, as may be specified in

the notification, the powers exercisable by it under this section shall also be exercisable by any Commissioner in respect of such companies or classes of companies as may be specified therein and thereupon in respect of such companies or classes of companies the provisions of this section and sections 106 and 107 shall have effect as if references in the said sections to the Board were references to such Commissioner.".

27. **Amendment of section 109.**—In section 109 of the Income-tax Act,—

(a) for the words and figures "For the purposes of sections 104 and 105", the words, figures and letter "For the purposes of sections 104, 105 and 107A" shall be substituted;

(b) in clause (iii)—

(i) sub-clause (2) shall be omitted;

(ii) in sub-clause (3), for the words "in any of the activities specified in the preceding clause", the words "in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power" shall be substituted.

28. **Amendment of section 114.**—In section 114 of the Income-tax Act, in clause (b), for sub-clause (ii), the following sub-clause shall be substituted, namely—

"(ii) the amount of income-tax and super-tax calculated on such part of the net capital gains, if any, relating to capital assets other than short-term capital assets, as exceeds the sum of five thousand rupees—

(1) in the case of capital gains relating to buildings or lands, or any rights in buildings or lands, at three-fourths of the average rate of income-tax and three-fourths of the average rate of super-tax respectively, and

(2) in any other case, at one-half of the average rate of income-tax and one-half of the average rate of super-tax respectively,

average rate of income tax and average rate of super-tax being computed for the purpose of this sub-clause in the same manner as for the purpose of sub-clause (i) of this clause:

Provided that where the amount payable under sub-clause (ii) of clause (b) is less than the amount equal to fifteen per cent. of the net capital gains in respect of which tax is payable under that sub-clause, then the amount payable thereunder shall be fifteen per cent. of such net capital gains:

Provided further that where the total income does not exceed the sum of ten thousand rupees, the amount payable under the said sub-clause shall be nil:

plus".

29. **Amendment of section 115.**—In section 115 of the Income-tax Act,—

(i) for clause (a), the following clause shall be substituted, namely:—

"(a) the amount of income-tax equal to the aggregate of—

(1) the amount of income-tax calculated at the rate of twelve and a half per cent. on the amount of capital gains, if any, chargeable under sub-section (2) of section 45; and

(2) the amount of income-tax with which it would have been chargeable had its total income been reduced by the amount of capital gains referred to in sub-clause (1);";

(ii) for clause (b), the following clause shall be substituted, namely:—

"(b) the amount of super-tax equal to the aggregate of—

(1) the amount of super-tax calculated on the amount of capital gains relating to capital assets other than short-term capital assets included in its total income—

(i) at the rate of fifteen per cent. on so much of the amount of such capital gains as relate to buildings or lands or any rights in buildings or lands; and

(ii) at the rate of five per cent. on the balance of such capital gains, if any, [excluding capital gains, if any, referred to in sub-clause (1) of clause (a)]; and

(2) the amount of super-tax with which it would have been chargeable had its total income been reduced by the amount of capital gains relating to capital assets other than short term capital assets included in its total income.".

30. **Substitution of new section for section 132.**—For section 132 of the Income-tax Act, the following section shall be substituted, namely:—

"132. **Powers of search and seizure.**—(1) Where the Commissioner, in consequence of information in his possession, has reason to believe that—

(a) any person to whom a summons under sub-section (1) of section 37 of the Indian Income-tax Act, 1922 (11 of 1922) or under sub-section (1) of section 131 of this Act, or a notice under sub-section (4) of section 22 of the Indian Income-tax Act, 1922 or under sub-section (1) of section 142 of this Act was issued to produce, or cause to be produced, any books of account or other documents has omitted or failed to produce, or cause to be produced, such books of account or other documents as required by such summons or notice, or

(b) any person to whom a summons or notice as aforesaid has been or might be issued will not, or would not, produce or cause to be produced any books of account or other documents which will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922 (11 of 1922) or under this Act, or

(c) any person is in possession of any articles or things including money wholly disproportionate to his known sources of income, particulars of which will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922 (11 of 1922) or this Act,

he may authorise any Inspecting Assistant Commissioner or any Income-tax Officer to enter and search any building or place where he has reason to suspect that such books of account, other documents, articles or things including money are kept and if as a result of the search such books of account, other documents, articles or

things including money are found, the Inspecting Assistant Commissioner or the Income-tax Officer, as the case may be, may—

(i) seize any such books of account or other documents;

(ii) place marks of identification on any such books of account or other documents or make or cause to be made extracts or copies therefrom;

(iii) make a note or an inventory of any articles or things including money found which, in his opinion, will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922, or this Act.

(2) The books of account or other documents seized under sub-section (1) shall not be retained by the Inspecting Assistant Commissioner or the Income-tax Officer for a period exceeding one hundred and eighty days from the date of the seizure unless the reasons for retaining the same are recorded by him in writing and the approval of the Commissioner for such retention is obtained:

Provided that the Commissioner shall not authorise the retention of the books of account and other documents for a period exceeding thirty days after all the proceedings under the Indian Income-tax Act, 1922 (11 of 1922), or this Act in respect of the years for which the books of account or other documents are relevant are completed.

(3) The person from whose custody any books of account or other documents are seized under sub-section (1) may make copies thereof, or take extracts therefrom, in the presence of the Income-tax Officer or any other person authorised by him, at such place and time as the Income-tax Officer may appoint in this behalf.

(4) If a person legally entitled to the books of account or other documents seized under sub-section (1) objects for any reason to the approval given by the Commissioner under sub-section (2), he may make an application to the Board stating therein the reasons for such objection and requesting for the return of the books of account or other documents.

(5) On receipt of the application under sub-section (4) the Board may, after giving the applicant an opportunity of being heard, pass such orders as it thinks fit.

(6) The provisions of the Code of Criminal Procedure, 1898 (5 of 1898) relating to searches shall apply, so far as may be, to searches under sub-section (1) of this section.

(7) The Board may make rules in relation to searches under this section.".

31. **Insertion of new section 133A.**—After section 133 of the Income-tax Act, the following section shall be inserted, namely:—

"133A. **Power of survey.**—(1) Notwithstanding anything in any other provision, an Income-tax Officer or any Inspector of Income-tax authorised by him in this behalf may enter—

(a) any place within the limits of the area assigned to him, or

(b) any place occupied by any person in respect of whom the Income-tax Officer exercises jurisdiction,

at which a business or profession is carried on, whether such place be the principal place or not of such business or profession, and

require any proprietor, employee or any other person who may at that time and place be attending in any manner to, or helping in the carrying on of, such business or profession to afford him the necessary facility to inspect such books of account or other documents as he may require and which may be available at such place, and on the inspection of such accounts or documents he may, if he so deems necessary, place marks of identification thereon or cause to be made extracts therefrom:

Provided that the Income tax Officer or such Inspector of Income-tax may enter any place referred to in this section only during such hours as the place is open for the conduct of the business or profession:

Provided further that while acting under this section the Income-tax Officer or such Inspector of Income-tax shall not remove or cause to be removed from the place which he has entered any books of account or other documents.

(2) If a person who under sub-section (1) is required to afford facility to the Income-tax Officer or the Inspector of Income-tax to inspect books of account or other documents either refuses or evades to do so, the Income-tax Officer shall have all the powers under sub-sections (1) and (2) of section 131 for enforcing compliance of the requirement made.".

32. **Omission of section 137.**—Section 137 of the Income-tax Act shall be omitted.

33. **Substitution of new section for section 138.**—For section 138 of the Income-tax Act, the following section shall be substituted, namely:—

"138. **Disclosure of information respecting assessees.**—(1) Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made either under this Act or the Indian Income-tax Act, 1922, on or after the 1st day of April, 1960 (11 of 1922), the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only any his decision in this behalf shall be final and shall not be called in question in any court of law.

(2) Notwithstanding anything contained in sub-section (1) or any other law for the time being in force, the Central Government may, having regard to the practices and usages customary or any other relevant factors, by order notified in the Official Gazette, direct that no information or document shall be furnished or produced by a public servant in respect of such matters relating to such class of assessees or except to such authorities as may be specified in the order.".

34. **Insertion of new section 140A.**—After section 140 of the Income-tax Act, the following section shall be inserted, namely:—

"140A. **Self-assessment.**—(1) Where a return has been furnished under section 139 and the tax payable on the basis of that return as reduced by any tax already paid under any provision of this Act exceeds five hundred rupees, the assessee shall pay the tax so payable within thirty days of furnishing the return.

(2) After a provisional assessment under section 141 or a regular assessment under section 143 or section 144 has been made, any amount paid under sub-section (1) shall be deemed to have been paid towards the provisional assessment or regular assessment, as the case may be.

(3) If any assessee fails to pay the tax or any part thereof in accordance with the provisions of sub-section (1), he shall, unless a provisional assessment under section 141 or a regular assessment under section 143 or section 144 has been made before the expiry of thirty days referred to in that sub-section, be liable, by way of penalty, to pay such amount as the Income-tax Officer may direct, so however, that the amount of penalty does not exceed fifty per cent. of the amount of such tax or part, as the case may be:

Provided that before levying any such penalty, the assessee shall be given a reasonable opportunity of being heard.".

35. **Omission of section 141A.**—Section 141A of the Income-tax Act shall be omitted.

36. **Amendment of section 156.**—In section 156 of the Income-tax Act, after the words "any other sum", the brackets, words, figures and letter "(including annuity deposit referred to in Chapter XXIIA)" shall be inserted.

37. **Amendment of section 209.**—In section 209 of the Income-tax Act, in sub-clause (iv) of clause (a), for the words, brackets and letters "clauses (b) and (c)", the words, brackets and letters "clauses (b), (c) and (d)" shall be, and shall be deemed to have been, substituted, with effect from the first day of April, 1963.

38. **Amendment of section 246.**—In section 246 of the Income-tax Act, in clause (o),—

(i) for sub-clause (i), the following sub-clauses shall be substituted, namely:—

"(i) section 140A, or

(ia) section 221, or";

(ii) for sub-clause (v), the following sub-clauses shall be substituted, namely:—

"(v) section 273, or

(vi) section 280R.".

39. **Amendment of section 254.**—In section 254 of the Income-tax Act, after sub-section (1), the following sub-section shall be inserted, namely:—

'(1A) (a) Where the appellant objects to the fair market value of a capital asset adopted under section 52, the Appellate Tribunal may, and if the appellant so requires, shall, refer the question of the disputed value to the arbitration of two valuers, one of whom shall be nominated by the appellant and the other by the respondent and the Appellate Tribunal shall, so far as that question is concerned, pass its orders under sub-section (1) conformably to the decision of the valuers:

Provided that where the appellant or the respondent does not nominate any valuer within the time specified by the Appellate Tribunal or within such further time as the Appellate Tribunal may allow, the Appellate Tribunal may nominate a valuer on his behalf:

Provided further that if there is a difference of opinion between the two valuers, the matter shall be referred to a third

valuer nominated by agreement, or failing agreement, by the Appellate Tribunal and the decision of that valuer on the question of valuation shall be final.

(b) The valuers to whom a reference under this sub-section has been made by the Appellate Tribunal shall communicate their decision to the Appellate Tribunal within six months of the date of such reference or within such further time as that Tribunal may allow:

Provided that if the decision of the valuers is not communicated within the period aforesaid, the Appellate Tribunal may order that the reference made under this sub-section shall be deemed to be withdrawn and proceed to dispose of the case on the evidence before it, including the report of either of the valuers if any such report has been submitted.

(c) The extent to which the costs of arbitration proceedings (including a case where a reference is deemed to be withdrawn) shall be borne by the appellant or the respondent shall be at the discretion of the Appellate Tribunal.

(d) The valuers may, in disposing of any matter referred to them for arbitration under this sub-section, hold or cause to be held such enquiry as they think fit and after giving the appellant and the respondent an opportunity of being heard, make such decision as they think fit and shall communicate such decision in writing to the Appellate Tribunal.

(e) The valuers appointed under this sub-section, while acting as such, shall have all powers of a Civil Court while trying a suit under the Code of Civil Procedure, 1908 (5 of 1908) in respect of the following matters, namely:—

(i) summoning and enforcing the attendance of any person and examining him on oath;

(ii) requiring the discovery and production of documents;

(iii) receiving evidence on affidavit; and

(iv) issuing commission for examination of witnesses or documents.

(f) Nothing in the Arbitration Act, 1940 (10 of 1940) shall apply to arbitrations under this sub-section.

Explanation.—In this sub-section, "valuer" means a valuer appointed under section 4 of the Estate Duty Act, 1953 (34 of 1953).'.

40. **Amendment of section 271.**—In section 271 of the Income-tax Act, in sub-section (1),—

(i) in clause (c), the word "deliberately" shall be omitted;

(ii) the following *Explanation* shall be inserted at the end, namely:—

"*Explanation.*—Where the total income returned by any person is less than eighty per cent. of the total income (hereinafter in this *Explanation* referred to as the correct income) as assessed under section 143 or section 144 or section 147 (reduced by the expenditure incurred *bona fide* by him

for the purpose of making or earning any income included in the total income but which has been disallowed as a deduction), such person shall, unless he proves that the failure to return the correct income did not arise from any fraud or any gross or wilful neglect on his part, be deemed to have concealed the particulars of his income or furnished inaccurate particulars of such income for the purposes of clause (c) of this sub-section.".

41. **Amendment of section 277.**—In section 277 of the Income-tax Act, for the words "punishable with simple imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both", the following shall be substituted, namely:—

"punishable with rigorous imprisonment for a term which may extend to two years:

Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the court, such imprisonment shall not be for less than six months.".

42. **Amendment of section 278.**—In section 278 of the Income-tax Act, for the words "punishable with simple imprisonment which may extend to six months or with fine which may extend to one thousand rupees or with both.", the following shall be substituted, namely:—

"punishable with rigorous imprisonment for a term which may extend to two years:

Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the court, such imprisonment shall not be for less than six months.".

43. **Amendment of section 280.**—In section 280 of the Income-tax Act, in sub-section (1), for the words and figures "discloses any particulars, the disclosure of which is prohibited by section 137", the words, brackets and figures "furnishes any information or produces any document in contravention of the provisions of sub-section (2) of section 138," shall be substituted.

44. **Insertion of new Chapter XXII A.**—In the Income-tax Act, after section 280, the following Chapter and sections shall be inserted, namely:—

'CHAPTER XXIIA

ANNUITY DEPOSITS

280A. **Persons to whom this Chapter applies.**—The provisions of this Chapter shall apply to every person, being—

(i) an individual, who is a citizen of India,

(ii) a Hindu undivided family,

(iii) an unregistered firm,

(iv) an association of persons or a body of individuals, whether incorporated or not (other than a company or a co-operative society), and

(v) an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 (other than a corporation established by a Central, State or Provincial Act):

Provided that such person is a resident.

280B. **Definitions.**—In this Chapter, unless the context otherwise requires,—

(1) "adjusted total income"—

(a) in relation to the assessment year commencing on the 1st day of April, 1964, means the amount of total income computed without making any allowance under section 280O and reduced by the aggregate of the following amounts, if any, included therein, namely:—

(i) any income chargeable under the head "Salaries";

(ii) if the depositor is a partner of an unregistered firm which is liable to make an annuity deposit for the relevant assessment year, the amount of his share in the profits and gains of the firm computed in the manner laid down in section 67;

(iii) if the depositor is a member of an association of persons or a body of individuals (other than a Hindu undivided family or a firm) which is liable to make an annuity deposit for the relevant assessment year, the amount which he is entitled to receive from the association or body;

(iv) any compensation or other payment referred to in clause (ii) of section 28; and

(v) any income chargeable under the head "Capital gains";

(b) in relation to the assessment year commencing on the 1st day of April, 1965, or any subsequent assessment year, means the amount of total income computed without making any allowance under section 280O and reduced by the aggregate of the following amounts, if any, included therein, namely:—

(i) any sum which under the provisions of sub-clause (vii) of clause (1) of section 17 is included in salary;

(ii) any income chargeable under the head "Salaries" in respect of which the assessee can make an application for the grant of relief under sub-section (1) of section 89;

(iii) the amount referred to in sub-clause (a) (ii) or sub-clause (a) (iii) of this clause;

(iv) any compensation or other payment referred to in clause (ii) of section 28; and

(v) any income chargeable under the head "Capital gains";

(2) "advance deposit" means the annuity deposit required to be made in advance in accordance with the provisions of sections 280E to 280I;

(3) "advance tax" shall have the same meaning as in section 207;

(4) "annuity" means any annual instalment of principal and interest thereon payable by the Central Government under the provisions of section 280D;

(5) "annuity deposit" means a deposit of money required to be made under the provisions of this Chapter;

(6) "depositor" means a person to whom the provisions of this Chapter apply.

280C. **Requirement as to annuity deposit.**—(1) Where any Central Act enacts that any person to whom the provisions of this Chapter apply shall make for any assessment year an annuity deposit with the Central Government at any rate or rates, such person shall make such deposit at that rate or those rates in accordance with, and subject to the provisions of, this Chapter in respect of the adjusted total income of the previous year or previous years, as the case may be.

(2) In respect of the adjusted total income in relation to which an annuity deposit is to be made under sub-section (1), such deposit shall be made in advance in accordance with the provisions of sections 280E to 280I.

280D. **Repayment.**—Subject to the provisions of this Chapter and any scheme framed thereunder, the Central Government shall repay to the depositor the annuity deposit made or recovered in any year in ten annual equated instalments of principal and interest at such rate as may be notified by the Central Government in the Official Gazette:

Provided that nothing in this section shall prevent the payment of any annuity at such commuted value thereof as may be provided in a scheme framed under section 280W, in any case in which the authority empowered to make such payment is satisfied that genuine hardship will be caused unless such payment is made.

280E. **Computation of advance deposit.**—The amount of advance deposit to be made by a depositor in the financial year shall be computed as follows:—

(a) (i) his total income for the latest previous year in respect of which he has been assessed by way of regular assessment shall first be ascertained;

(ii) the amount of income of the nature referred to in sub-clause (b) (i) or sub-clause (b) (ii) or sub-clause (b) (iii) or sub-clause (b) (iv) or sub-clause (b) (v) of clause (1) of section 280B, if any, included in such income shall be deducted therefrom, and on the balance annuity deposit shall be calculated at the rates in force in the financial year;

(iii) the amount of annuity deposit calculated in accordance with sub-clause (ii) shall, subject to the provisions of clauses (b) and (c), be the advance deposit to be made;

(b) in cases where an estimate of the adjusted total income is sent by the depositor under sub-section (1) or sub-section (2) or sub-section (3) of section 280H, the total income on the basis of which such adjusted total income is so estimated shall, for the purposes of calculation of advance deposit under this section, be substituted for the total income referred to in clause (a);

(c) in cases where the Income-tax Officer makes an amended order referred to in sub-section (3) of section 280F on the basis of a provisional assessment, the total income on the basis of which the relevant provisional assessment had been made shall be substituted for the total income referred to in clause (a).

Explanation.—In this section and in sections 280F and 280H, the expression "total income" means the total income computed without making any allowance under section 280O.

280F. **Order by Income-tax Officer.**—(1) Where a depositor has been previously assessed by way of regular assessment under this Act or under the Indian Income-tax Act, 1922 (11 of 1922), the Income-tax Officer may, on or after the 1st day of April in the financial year, by order in writing, require him to make an advance deposit computed in accordance with the provisions of section 280E.

(2) The notice of demand issued under section 156 in pursuance of such order shall specify the instalments in which the advance deposit is to be made under section 280G.

(3) If, after the making of an order by the Income-tax Officer under this section and before the 15th day of February of the financial year, a regular assessment or a provisional assessment under section 141 of the depositor (or of the registered firm of which he is a partner) is made in respect of a previous year later than that referred to in the order of the Income-tax Officer, the Income-tax Officer may make an amended order requiring such depositor to make in one instalment on the specified date, or in equal instalments on the specified dates, if more than one, falling after the date of the amended order, the advance deposit computed on the basis of the adjusted total income calculated with reference to the total income determined under the regular assessment or the provisional assessment aforesaid as reduced by the deposit, if any, made in accordance with the original order.

280G. **Instalments of advance deposit.**—Subject to the provisions of section 280H, the provisions of section 211 shall, so far as may be, apply in relation to advance deposit to be made by a depositor as they apply in relation to advance tax payable by an assessee with the modification that reference therein to section 210 shall be construed as reference to section 280F.

280H. **Estimate by depositor.**—(1) If a depositor, who is required to make advance deposit by an order under section 280F, estimates at any time before the last instalment is due that his adjusted total income for the period which would be the previous year for the immediately following assessment year, is less than the income in respect of which he is required to make such deposit, and accordingly wishes to make a deposit of an amount less than the amount which he is so required to deposit, he may send to the Income-tax Officer—

(i) an estimate of the adjusted total income of the said previous year;

(ii) an estimate of the advance deposit to be made by him calculated in the manner laid down in section 280E;

and shall make such deposit as accords with his estimate in equal instalments on such of the dates specified in section 211 as applied to advance deposit by section 280G as have not expired or in one sum if only the last of such dates has not expired.

(2) The depositor may send a revised estimate of the advance deposit to be made by him and adjust any excess or deficiency in respect of any instalment already paid in a subsequent instalment or in subsequent instalments.

(3) A depositor who has not previously been assessed by way of regular assessment under this Act, or under the Indian Income-tax Act, 1922 (11 of 1922), shall, before the 1st day of March in each financial year, if his total income of the period which would be the previous year

for the immediately following assessment year is likely to exceed the minimum amount in relation to which annuity deposit is required to be made under the provisions of the Finance Act of that year, send to the Income-tax Officer—

(i) an estimate of the adjusted total income of the said previous year;

(ii) an estimate of the advance deposit to be made by him calculated in the manner laid down in section 280E;

and shall make such deposit as accords with his estimate, on such of the dates specified under section 211 as applied to advance deposit by section 280G as have not expired, by instalments which may be revised according to sub-section (2).

(4) Every estimate under this section shall be sent in the prescribed form and verified in the prescribed manner.

280I. **Commission receipts.**—Where part of the adjusted total income consists of any income of the nature of commission which is receivable periodically and is not received or adjusted by the payer in the depositor's account before any of the quarterly instalments of advance deposit become due, he may defer the making of advance deposit in respect of that part of his income to the date on which such income would be normally received or adjusted, and, if he does so, he shall communicate to the Income-tax Officer the date to which the making of such deposit is deferred.

280J. **Annuity deposit on the basis of self-assessment.**—Where in respect of any assessment year, income-tax is payable on the basis of self-assessment under section 140A, the depositor shall, on or before the date on which tax under such assessment is payable, make an annuity deposit equal to the amount, if any, by which the amount of annuity deposit required to be made on the basis of income returned exceeds the amount, if any, of the annuity deposit already made by him in respect of that assessment year.

280K. **Annuity deposit on the basis of provisional or regular assessment.**—At the time of making a provisional assessment under section 141 or a regular assessment, or as soon thereafter as may be, the Income-tax Officer shall, by order in writing, determine the amount of annuity deposit, if any, required to be made by the depositor on the basis of the income so assessed after taking into account the amount of annuity deposit, if any, already made by him in respect of that assessment year.

280L. **Special provisions for the assessment year 1964-65.**—(1) If the total income of a depositor for the previous year relevant to the assessment year commencing on the 1st day of April, 1964 (such total income being computed without making any allowance under section 280O) exceeds fifteen thousand rupees and he does not furnish a return under section 139 before the 1st day of March, 1965 and no regular assessment under section 144 is made before the said 1st day of March, he shall send to the Income-tax Officer—

(i) an estimate of the adjusted total income of the said previous year;

(ii) an estimate of annuity deposit to be made by him calculated in the manner laid down in section 280E;

and shall make such deposit as accords with his estimate on or before the 31st day of March, 1965.

(2) An estimate under this section shall be sent in the prescribed form and verified in the prescribed manner.

280M. **Recomputation of annuity deposit and adjustment of excess or deficiency.**—(1) Where as a result of an order of re-assessment or recomputation under section 147 or as a result of an order under section 154 or section 155 or section 186 or section 250 or section 254 or section 260 or section 262 or section 263 or section 264, the total income of a depositor is enhanced or reduced, or the status under which he is assessed is altered, or in the case of a firm, registration is granted or cancelled, the Income-tax Officer shall compute or re-compute the amount of annuity deposit to be made by such depositor.

(2) Where any depositor has deposited any amount for any assessment year which is—

(a) in excess of the amount, or

(b) less than the amount,

required to be deposited under the provisions of this Chapter for that year and in the case referred to in clause (b), an additional amount has been recovered to make up the deficiency, then such excess amount or additional amount, as the case may be, may be adjusted or otherwise dealt with in such manner as may be provided in a scheme framed under section 280W.

280N. **Refund of annuity deposit made by a firm assessed under clause (b) of section 183.**—Where any unregistered firm is assessed under clause (b) of section 183 for any assessment year, such firm shall not be liable to make an annuity deposit for that assessment year and annuity deposit made by it for that assessment year, if any, shall be adjusted or otherwise dealt with in such manner as may be provided in a scheme framed under section 280W.

280O. **Annuity deposit allowed as deduction in computing total income.**—(1) Notwithstanding anything to the contrary contained in the provisions of this Act relating to the computation of income chargeable under any head of income, the annuity deposit required to be made under this Chapter shall, subject to the provisions of sub-section (2), be allowed as a deduction in computing the total income assessable for the assessment year in respect of which the annuity deposit is required to be made.

(2) If the adjusted total income of the depositor includes any income chargeable under the head "Salaries", the allowance under sub-section (1) shall be made in computing the income under that head, and if there is no income chargeable under that head or the annuity deposit required to be made exceeds such income, the whole or the balance of the annuity deposit required to be made shall be allowed as a deduction in computing earned income chargeable under any other head, and if there is no earned income chargeable under any other head or the whole or the balance of the annuity deposit required to be made exceeds such earned income, the whole or balance of the annuity deposit required to be made shall be allowed as deduction in computing any other income under any head.

Explanation.—In this sub-section, the expression "earned income" has the meaning assigned to it in the Finance Act of the relevant year.

280P. **Annuity deposit deductible in computing income under the head "Salaries" for purposes of section 192.**—Any person responsible for paying any income chargeable under the head "Salaries" to a resident shall, at the time of payment, deduct income-tax and super-tax under section 192 as if the estimated income referred to in sub-section (1) of that section had been reduced by the amount of advance deposit, if any, to be made by the assessee at the rates in force in the financial year concerned in respect of such income, whether such advance deposit has or has not been made.

280Q. **Rounding off.**—The amount of any deposit to be made under this Chapter shall be rounded off to the nearest multiple of five rupees and where such amount contains a part of five rupees, then, if such part is two rupees and fifty naye paise or more, it shall be increased to five rupees and if such part is less than two rupees and fifty naye paise, it shall be ignored.

280R. **Penalty for failure to make deposit.**—(1) If any person who is liable to make an annuity deposit under this Chapter fails to make such deposit within the time specified therefor, the Income-tax Officer may direct that the depositor shall pay by way of penalty an amount not exceeding one-half of the annuity deposit which he is liable to make.

(2) If the Income-tax Officer, in the course of any proceedings in connection with the regular assessment is satisfied that any depositor—

(a) has furnished under section 280H an estimate of advance deposit to be made by him which he knew or had reason to believe to be untrue, or

(b) has without reasonable cause failed to furnish an estimate of advance deposit to be made by him in accordance with the provisions of sub-section (3) of section 280H.

he may direct that such depositor shall pay by way of penalty a sum—

(i) which, in the case referred to in clause (a), shall not exceed half the amount by which the advance deposit actually made during the financial year immediately preceding the assessment year under the provisions of sections 280E to 280I falls short of—

(1) seventy-five per cent. of the annuity deposit required to be made on the basis of income assessed by way of regular assessment (such deposit being calculated at the rates in force in the financial year immediately preceding the assment year), or

(2) where a notice under section 280F was issued to the depositor, the deposit required to be made thereunder, whichever is less; and

(ii) which, in the case referred to in clause (b), shall not exceed half the amount equal to the seventy-five per cent referred to in clause (i) (1).

(3) No order imposing a penalty under this section shall be made unless the assessee has been heard, or has been given a reasonable opportunity of being heard.

280S. **Other interest and penalty provisions of the Act not to apply.**—Notwithstanding anything to the contrary contained in this Act, the provisions of this Act, other than those contained in this Chapter or any scheme framed thereunder, relating to interest payable by the Central Government on refunds and interest payable by the assessee in default or those relating to imposition of penalty shall not apply in relation to any sum due under this Chapter.

280T. **Recovery of arrears of deposit and penalty.**—For the removal of doubts, it is hereby declared that any arrear of annuity deposit and any penalty imposed under this Chapter shall be recoverable in the manner provided in Chapter XVII-D for the recovery of arrears of tax.

280U. **Special provisions for authors, play-wrights, artists, musicians and actors.**—Any individual, being an author, playwright, artist, musician or actor, may, in addition to the amount of annuity deposit required to be made by him in respect of any assessment year, make a further deposit of an amount not exceeding twenty-five per cent. of his adjusted total income assessable for that assessment year, and if he does so, the further deposit made by him, shall, for the purposes of this Chapter, be included in the annuity deposit required to be made by him.

280V. **Special provisions relating to gratuity.**—Where the total income of a depositor assessable for any assessment year includes any gratuity chargeable under the head "Salaries", he may, in addition to the amount of annuity deposit required to be made by him in respect of that assessment year, make a further deposit of an amount not exceeding fifty per cent. of the amount of such gratuity, and if he does so, the further deposit made by him, shall, for the purposes of this Chapter, be included in the annuity deposit required to be made by him.

280W. **Annuity Deposit Scheme.**—(1) The Central Government shall, by notification in the Official Gazette, frame one or more scheme or schemes to be called Annuity Deposit Scheme or Schemes in relation to deposits under this Chapter.

(2) A scheme under sub-section (1) may provide for—

(a) the manner in which the annuity deposits shall be made;

(b) the manner in which, and intervals at which, annuities shall be paid; and the manner in which the excess or deficiency of annuity deposit may be adjusted or otherwise dealt with;

(c) the authority or authorities by or through whom such deposits may be collected or by whom annuities may be issued;

(d) the documents to be issued to persons by whom deposits have been made as evidence of such deposits;

(e) the accounts to be maintained with respect to such deposits and annuities and the officers by whom such accounts shall be maintained;

(f) the nomination of any person to receive the annuity or any other sum due under this Chapter to any depositor in the event of his death and the cancellation or change of such nomination;

(g) the issue of duplicate of any document issued as evidence of any such deposit in the event of loss or destruction of the original and the fee on the payment of which such duplicate may be issued; and

(h) any other matter which may be necessary or proper for the effective implementation of the scheme.

(3) The Central Government may, by notification in the Official Gazette, add to, amend, vary or rescind any scheme framed under this Chapter.

(4) Any scheme framed under this Chapter shall be laid, as soon as may be, after it is framed before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and, if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in any provision of the scheme or both Houses agree that any provision in the scheme should not be made, that provision of the scheme shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that provision.

280X. **Option in certain cases.**—(1) Notwithstanding anything contained in this Chapter, any depositor may, on or before the 30th day of June of the assessment year in which he first becomes liable to make an annuity deposit, by notice in writing to the Income-tax Officer, declare (such declaration being final for that assessment year and all assessment years thereafter) that the provisions of this Chapter shall not apply to him and if he does so, the provisions of this Chapter [other than sub-section (2)] shall not apply to him for any assessment year in relation to which such option has effect:

Provided that in relation to the assessment year commencing on the 1st day of April, 1964, this sub-section shall have effect as if for the words, figures and letters "the 30th day of June", the words, figures and letters "the 30th day of September" were substituted:

Provided further that where any such depositor satisfies the Income tax Officer that he was prevented by sufficient cause from making such declaration within the period allowed therefor, the Income-tax Officer may, with the previous approval of the Inspecting Assistant Commissioner, allow such depositor to make the declaration at any time after the expiry of the aforesaid period.

(2) If a person has exercised the option under sub-section (1), then the amount of income-tax (but not super-tax) payable by him in respect of any assessment year in relation to which such option has effect shall be increased by a sum equal to fifty per cent. of the amount by which the amount of annuity deposit which would have been otherwise required to be made in respect of that assessment year exceeds the difference between the tax payable by him on his total income and the tax that would have been payable had his total income been reduced by the amount of annuity deposit:

Provided that if such person is more than seventy years of age on the last day of the previous year relevant to the assessment year, he shall not be liable to pay the additional income-tax under this sub-section.'.

45. **Substitution of new section for section 287.**—For section 287 of the Income-tax Act, the following section shall be substituted, namely:—

287. **Publication of information respecting assessees.**—(1) If the Central Government is of opinion that it is necessary or expedient in

the public interest to publish the names of any assessees and any other particulars relating to any proceedings under this Act in respect of such assessees, it may cause to be published such names and particulars in such manner as it thinks fit.

(2) No publication under this section shall be made in relation to any penalty imposed, or any conviction for any offence connected with any proceedings, under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner or to the first Appellate Court, as the case may be, has expired without an appeal having been presented or the appeal, if presented, has been disposed of.

Explanation.—In the case of a firm, company or other association of persons, the names of the partners of the firm, directors, managing agents, secretaries and treasurers, or managers of the company, or the members of the association, as the case may be, may also be published if, in the opinion of the Central Government, the circumstances of the case justify it.".

46. **Amendment of section 293.**—In section 293 of the Income-tax Act, after the words "lie against", the words "the Government or" shall be inserted.

47. **Amendment of section 295.**—In section 295 of the Income-tax Act, in sub-section (2), after clause (d), the following clause shall be inserted, namely:—

"(dd) the extent to which, and the conditions subject to which, any expenditure referred to in sub-section (3) of section 37 may be allowed;".

48. **Omission of the Fifth Schedule.**—In the Income-tax Act, the Fifth Schedule shall be omitted.

49. **Amendment of Act 34 of 1953.**—In the Estate Duty Act, 1953,—

(a) in section 5A, the following amendments shall be made and shall be deemed to have been made with effect from the 23rd day of September, 1963, namely:—

(i) in sub-section (2), the word "Orissa," shall be omitted;

(ii) in sub-section (3), the words "in the State of Orissa and" shall be omitted;

(b) in section 33, in sub-section (1), after clause (m), the following clause shall be inserted, namely:—

"(n) one house or part thereof exclusively used by the deceased for his residence, to the extent the principal value thereof does not exceed rupees one lakh if such house is situate in a place with a population exceeding ten thousand, and the full principal value thereof in any other case.";

(c) in section 34, in clause (a) of sub-section (1), for the brackets, letters and word "(l) and (m)", the brackets, letters and word "(l), (m) and (n)" shall be substituted;

(d) in section 50, the words "one-half of" shall be omitted;

(e) in section 78, after the words "lie against", the words "the Government or" shall be inserted

(f) for section 80, the following sections shall be substituted, namely:—

"80. **Disclosure of information respecting assessments.**—Where a person makes an application to the Controller in the prescribed from **for**

any information in respect of any assessment made under this Act, the Controller may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any court of law.

80A. **Publication of information respecting accountable persons.**—(1) If the Central Government is of opinion that it is necessary or expedient in the public interest to publish the names of any accountable persons and any other particulars relating to any proceedings under this Act in respect of such persons, it may cause to be published such names and particulars in such manner as it thinks fit.

(2) No publication under this section shall be made in relation to any penalty imposed under this Act until the time for presenting an appeal to the Appellate Controller has expired without an appeal having been presented or the appeal, if presented, has been disposed of.";

(g) in the Second Schedule, for Part I, the following Part shall be substituted, namely: —

Part I

In the case of any property which passes or is deemed to pass on the death of the deceased—

	Rate of duty
(1) On the first Rs. 50,000 of the principal value of the estate	*Nil*
(2) On the next Rs. 50,000 of the principle value of the estate	4%
(3) On the next Rs. 1,00,000 of the principal value of the estate	8%
(4) On the next Rs. 3,00,000 of the principal value of the estate	15%
(5) On the next Rs. 5,00,000 of the principal value of the estate	25%
(6) On the next Rs. 5,00,000 of the principal value of the estate	40%
(7) On the next Rs. 5,00,000 of the principal value of the estate	50%
(8) On the balance of the principal value of the estate	85%"

50. **Amendment of Act 27 of 1957.**—In the Wealth-tax Act, 1957,—

(a) in section 5, in sub-section (1), for clause (iv), the following clause shall be substituted, namely:—

"(iv) one house or part of a house belonging to the assessee exclusively by him for residential purposes:

Provided that where the value of such house or part, situate in a place with a population exceeding ten thousand, exceeds one lakh of rupees, the amount that shall not be included in the net wealth of an assessee under this section shall be one lakh of rupees.";

(b) section 42 shall be omitted;

(c) for sections 42A and 42B, the following sections shall be substituted, namely:—

"24A. **Publication of information respecting assessees.**—(1) If the Central Government is of opinion that it is necessary or expedient in the public interest to publish the names of any assessees and any other particulars relating to any proceedings under this Act in respect of such assessees, it may cause to be published such names and particulars in such manner as it thinks fit.

(2) No publication under this section shall be made in relation to any penalty imposed, or any conviction for any offence connected with any proceedings, under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner or to the first Appellate Court, as the case may be, has expired without an appeal having been presented or the appeal, if presented, has been disposed of.

42B. **Disclosure of information respecting assessees.**—Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any court of law.";

(d) in section 43, after the words "lie against", the words "the Government or" shall be inserted;

(e) in the Schedule, for Part I, the following Part shall be substituted, namely:—

Part I

(a) In the case of every individual—

	Rate of tax
(i) on the first rupees two lakhs of net wealth	*Nil*
(ii) on the next rupees four lakhs of net wealth	0.5%
(iii) on the next rupees five lakhs of net wealth	1·0%
(iv) on the next rupees ten lakhs of net wealth	2 0%
(v) on the balance of net wealth	25%"

(b) In the case of every Hindu undivided family:—

(i) on the first rupees one lakh of net wealth	*Nil*
(ii) on the next rupees three lakhs of net wealth	0 5%
(iii) on the next rupees five lakhs of net wealth	1 0%
(iv) on the next rupees ten lakhs of net wealth	2 0%
(v) on the balance of net wealth	2:5%

51. **Amendment of Act 29 of 1957.**—In the Expenditure-tax Act, 1957,—

(i) in section 3, in sub-section (1), the proviso and the *Explanation* shall be omitted;

(ii) in section 5,—

(1) for clause (g), the following clause shall be substituted, namely:—

"(g) any expenditure incurred by the assessee in the purchase of books;";

(2) to clause (j), the following proviso shall be added, namely:—

"Provided that the assessee is either chargeable to gift-tax under the Gift-tax Act, 1958 (18 of 1958) in respect of such gift, donation or settlement, as the case may be, or has deposited to the credit of the Central Government before the completion of his assessment for the relevant assessment year under this Act, a sum of four per cent. of the moneys or the value of the property comprised in such gift or donation or settlement, as the case may be, be way of payment of expenditure-tax for the relevant assessment year, such payment being in addition to the amount of expenditure-tax with which he is otherwise chargeable under the provisions of this Act;";

(3) clause (l) and (n) shall be omitted;

(iii) in section 6—

(a) in sub-section (1)—

(1) clause (c) shall be omitted;

(2) for clause (d), the following clause shall be substituted, namely:—

"(d) four-fifths of any expenditure incurred by way of capital expenditure on the purchase of bullion, precious stones, jewellery, motor-cars and other conveyances for the personal use of the assessee or any of his dependants:

Provided that where a deduction as aforesaid is made, one-fifth of the said capital expenditure shall be deemed to be incurred by the assessee in each of the four years succeeding the previous year in which the expenditure was incurred and no deduction shall be made under this clause in the assessment for any succeeding year in respect of expenditure so deemed to have been incurred in any earlier year;";

(3) clauses (e), (f), (g) and (h) shall be omitted;

(4) in clause (i), the words. brackets and letters "to the extent to which such expenditure is not admissible under clause (c) or clause (e) or clause (f) or clause (g)", shall be omitted;

(5) clause (j) shall be omitted;

(b) sub-section (2) and sub-section (3) shall be omitted;

(iv) section 38 shall be omitted;

(v) for sections 38A and 38B, the following sections shall be substituted, namely:—

"38A. **Publication of information respecting assessees.**—(1) If the Central Government is of opinion that it is necessary or expendient in the public interest to publish the names of any assessees and any other particulars relating to any proceedings under this Act in respect of such assessees, it may cause to be published such names and particulars in such manner as it thinks fit.

(2) No publication under this section shall be made in relation to any penalty imposed, or any conviction for any offence connected with any proceedings, under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner or to the first Appellate Court,

as the case may be, has expired without an appeal having been presented or the appeal, if presented, has been disposed of.

38B. **Disclosure of information respecting assessees.**—Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any court of law.";

(vi) in section 39, after the words "lie against," the words "the Government or" shall be inserted;

(vii) for the Schedule, the following Schedule shall be substituted, namely:—

THE SCHEDULE

(See section 3)

Rates of Expenditure-tax

In the case of every individual and Hindu undivided family, on that portion of the taxable expenditure—

(i) Which does not exceed Rs. 36,000	Nil
(ii) Which exceeds Rs. 36,000 but does not exceed Rs. 48,000	5%
(iii) which exceeds Rs. 48,000 but does not exceed Rs. 60,000	7·5%
(iv) which exceeds Rs. 60,000 but does not exceed Rs. 72,000	10%
(v) which exceeds Rs. 72,000 but does not exceed Rs. 84,000	15%
(vi) which exceeds Rs. 84,000	20%:

Provided that in respect of any assessment for the financial year commencing on the 1st day of April, 1964 or 1965, this Schedule shall have effect as if for items (v) and (vi), the following item had been substituted, namely:—

"(v) which exceeds Rs. 72,000 15%",

52. **Amendment of Act 18 of 1958.**—In the Gift-tax Act, 1958,—

(a) in section 5,—

(i) in clause (viii) of sub-section (1), for the words "rupees one lakh", the words "rupees fifty thousand" shall be substituted;

(ii) in sub-section (2), for the words "ten thousand", the words "five thousand" shall be substituted;

(b) after section 6, the following section shall be inserted, namely:—

"6A. **Aggregation of gifts made to the same donee during a certain period.**—(1) Nothwithstanding anything to the contrary contained in this Act, where an assessee has made taxable gifts to the same donee during a previous year and during any one or more of the four previous years immediately preceding such previous year, the gift-tax payable

by him for the relevant assessment year shall, subject to the provisions of sub-section (2), be determined in the following manner, namely:—

(a) the value of the taxable gifts made to such a donee during any one or more of the four previous years immediately preceding the previous year relevant to an assessment year shall be aggregated with the value of the taxable gifts made by the assessee during the relevant previous year and gift-tax shall be calculated on the aggregate value at the rate or rates specified in the Schedule;

(b) from the amount of gift-tax calculated under clause (a), there shall be deducted the aggregate of—

(i) an amount which bears to the amount of gift-tax calculated under clause (a) the same proportion as the value of any taxable gift made to such donee prior to the 1st day of April, 1963 included in the aggregate value referred to in clause (a) bears to such aggregate value;

(ii) the amount of any gift-tax payable by the assessee for each of the four assessment years immediately preceding the relevant assessment year in respect of the value of the taxable gifts made by him to the said donee after the 31st day of March, 1963, included in the aggregate value referred to in clause (a),

and the balance shall be the amount of gift-tax payable by the assessee.

Explanation.—For the purposes of sub-clause (ii) of clause (b), the amount of gift-tax payable by an assessee in respect of the value of taxable gifts made by him to the same donee for each of the four assessment years immediately preceding the relevant assessment year means such proportion of the total amount of gift-tax payable by the assessee for that assessment year as the value of any taxable gifts made by him after the 31st day of March, 1963, to such donee during the relevant previous year bears to the total value of the taxable gifts made by the assessee during that previous year.

(2) The gift-tax payable by an assessee shall in no case be less than the amount of the gift-tax which would be payable by him without giving effect to the provisions of sub section (1).";

(c) in section 32, to sub-section (2), the following proviso shall be, and shall be deemed always to have been, added, namely:—

"Provided that where as a result of an order under section 22, or section 23, or section 24, or section 25, or section 26, or section 28, or section 34, the amount on which interest was payable under this section had been reduced, the interest shall be reduced accordingly and the excess interest paid, if any, shall be refunded.";

(d) in section 34, in sub-section (5), for the word and figures "section 33", the word, figures and letter "section 33A" shall be, and shall be deemed always to have been, substituted;

(e) section 41 shall be omitted;

(f) for section 41A and 41B, the following sections shall be substituted, namely:—

"41A. **Publication of information respecting assessees.**—(1) If the Central Government is of opinion that it is necessary or expedient in the public interest to publish the names of any assessees and any other particulars relating to any proceedings under this Act in respect of such assessees, it may cause to be published such names and particulars in such manner as it thinks fit.

(2) No publication under this section shall be made in relation to any penalty imposed, or any conviction for any offence connected with any proceedings, under this Act until the time for presenting an appeal to the Appellate Assistant Commissioner or to the first Appellate Court, as the case may be, has expired without an appeal having been presented or the appeal, if presented, has been disposed of.

Explanation.—In the case of a firm, company or other association of persons, the names of the partners of the firm, directors, managing agents, secretaries and teasurers, or managers of the company, or the members of the association, as the case may be, may also be published if, in the opinion of the Central Government, the circumstances of the case justify it.

41B. **Disclosure of information respecting assessees.**—Where a person makes an application to the Commissioner in the prescribed form for any information relating to any assessee in respect of any assessment made under this Act, the Commissioner may, if he is satisfied that it is in the public interest so to do, furnish or cause to be furnished the information asked for in respect of that assessment only and his decision in this behalf shall be final and shall not be called in question in any court of law.";

(g) in section 42, after the words, "lie against", the words "the Government or" shall be inserted;

(h) for the Schedule, the following Schedule shall be substituted, namely:—

"THE SCHEDULE

[*See* section 3]

RATES OF GIFT-TAX

	Rate of gift-tax
(1) On the first Rs. 5,000 of the value of all taxable gifts	4%
(2) On the next Rs. 15,000 of the value of all taxable gifts	8%
(3) On the next Rs. 25,000 of the value of all taxable gifts	15%
(4) On the next Rs. 1,00,000 of the value of all taxable gifts	25%
(5) On the next Rs. 2,00,000 of the value of all taxable gifts	40%
(6) On the balance of the value of all taxable gifts	50%."

53. **Expenditure-tax to be levied from 1st April, 1964.**—Notwithstanding anything contained in section 13 of the Finance (No. 2) Act, 1962 (20 of 1962), expenditure-tax shall be charged under the Expenditure-tax Act, 1957 (29 of 1957) for every financial year commencing on

or after the 1st day of April, 1964, in respect of the expenditure incurred by an individual or Hindu undivided family.

54. **Amendment of Act 13 of 1963.**—In Paragraph A of Part I of the First Schedule to the Finance Act, 1963, for clause (ii) of the proviso to clause (c) under the heading "*Surcharges on income-tax*", the following clause shall be, and shall be deemed always to have been, substituted, namely:—

"(ii) the additional surcharge shall in no case exceed one-half of the amount by which the residual income exceeds the limit specified below.".

55. **Super profits tax not to be levied from 1st April, 1964.**—Notwithstanding anything contained in the Super Profits Tax Act, 1963 (14 of 1963), super profits tax shall not be charged for any assessment year commencing on or after the 1st day of April, 1964, in respect of the chargeable profits of any company.

56. **Amendment of Act 32 of 1934.**—The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act) shall be amended in the manner specified in the Third Schedule.

57. **Surcharge on duties of customs.**—(1) In the case of goods chargeable with a duty of customs which is specified in the First Schedule to the Tariff Act as amended by this Act or any subsequent Act of Parliament, or in that Schedule read with any notification of the Central Government for the time being in force, there shall be levied and collected as an addition to, and in the same manner as, the total amount so chargeable, a sum equal to 10 per cent. of such amount:

Provided that in computing the total amount so chargeable, any duty chargeable under section 2A of the Tariff Act or section 58 of this Act shall not be included.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1965 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

58. **Regulatory duty of customs.**—(1) There shall be levied and collected, with effect from such date as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all goods mentioned in the First Schedule to the Tariff Act as amended by this Act or any subsequent Act of Parliament, a regulatory duty of customs which shall be—

(a) 25 per cent. of the rate, if any, specified in the said First Schedule read with any notification issued under section 3A or sub-section (1) of section 4 of the Tariff Act; or

(b) 10 per cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (52 of 1962).

whichever is higher:

Provided that different dates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 30th day of April, 1965 except as respects things done or omitted to be done before

such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duty of customs leviable under this section in respect of any goods referred to in sub-section (1) shall be in addition to any other duty of customs chargeable on such goods under the Customs Act, 1962 (52 of 1962).

(4) The provisions of the Customs Act, 1962 (52 of 1962) and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

59. **Amendment of Act 1 of 1949.**—In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1964", the figures "1965" shall be substituted.

60. **Amendment of Act 1 of 1944.**—In the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act),—

(1) in section 2, in clause (f),—

(i) the words beginning with "and the word 'manufacturer'" and ending with "are intended for sale;" shall be omitted;

(ii) after sub-clause (iii), the following shall be inserted, namely:—

"(iv) in relation to goods comprised in Item No. 18A of the First Schedule, includes sizing, beaming, warping, wrapping, winding or reeling, or any one or more of these processes, or the conversion of any form of the said goods into another form of such goods;

and the word "manufacturer" shall be construed accordingly and shall include not only a person who employs hired labour in the production or manufacture of excisable goods, but also any person who engages in their production or manufacture on his own account;";

(2) in the First Schedule, —

(a) in Item No. 4, under "II—*Manufactured tobacco*—", for the entries in the third column against sub-items 2 (iii) and 2 (iv), the entries "Seven rupees and fifty naye paise" and "Four rupees and forty naye paise" shall, respectively, be substituted;

(b) in Item No. 14, under "I", after sub-item (4), the following sub-item shall be inserted, namely:—

"(4A) Dispersed Organic pigments ordinarily used for the printing of textiles, whether in the form of powder, paste, or in emulsion.	Two rupees and fifty naye paise per kilogram.";

(c) after Item No. 14B, the following Item shall be inserted, namely:—

"14BB. SODIUM SILICATE . . . Eight rupees per quintal.";

(d) in Item No. 14F, in the second column,—

(i) for sub-items (i), (ii) and (iii), the following sub-item shall be substituted, namely:—

"(i) Preparations for the care of the skin including beauty creams, vanishing creams, cold creams, make-up creams, cleansing creams, skin foods and tonics, face powders, baby powders, toilet powders and talcum powders.";

(ii) sub-item (iv) shall be re-numbered as sub-item (ii);

(e) in Item No. 15, under "I", for sub-items (1), (2) and (3), the following sub-items shall be substituted, namely:—

"(1) Soap, household and laundry . . Eighteen rupees per quintal.
(2) Other sorts . . . . . Thirty-eight rupees per quintal.";

(f) for Item No. 15A, the following Item shall be substituted, namely:—

"15A. ARTIFICIAL OR SYNTHETIC RESINS AND PLASTIC MATERIALS, AND ARTICLES THEREOF . . Twenty-per cent. *ad valorem.*

(1) Artificial or synthetic resins and plastic materials in any form, whether solid, liquid or pasty, or as powder, granules or flakes, or in the form of moulding powders, the following, namely:—

(i) Condensation, Poly-condensation and Poly-addition products, whether or not modified or poly-merised, including Phenoplasts, Aminoplasts, Alkyds, Polyurethane, Polyallyl Esters other Unsaturated Polyesters;

(ii) Polymerisation and Copolymerisation products including Polyethylene and Polytetrahaloethylene, Polyisolutylene, Polystyrene, Polyvinyl case chloride, Polyvinyl acetate, Polyvinyl Chloroacetate and other Polyvinyl derivatives, Polyamides, Polyacrylic and Polymethacrylic derivatives and Coumarone-Indene resins; and

(iii) Cellulose acetate (including dio-or tri-acetate), Cellulose acetate butyrate and Cellulose propionate, Cellulose acetate-propionate, Ethyl cellulose and Benzyl cellulose, whether plasticised or not, and plasticised Cellulose nitrate.

(2) Articles made of plastics, all sorts, including tubes, rods, sheets, foils, sticks, other rectangular or profile shapes, whether laminated or not, and whether rigid or flexible, including layflat tubings and Polyvinyl chloride sheets.

Explanation.—For the purpose of sub-item (2), 'plastics' means the various artificial or synthetic resins or plastic material included in sub-item (1).";

(g) in Item No. 17, for sub-items (1) to (10), the following sub-items shall be substituted, namely:—

"(1) Cigarette tissue . . . . . One rupee per kilogram.

(2) Blotting, toilet, target, tissue other than cigarettee tissue, teleprinter, typewriting, manifold, bank, bond, art paper, chrome paper, tubsized paper, cheque paper, stamp paper, cartridge paper, parchment, and coated board (including art board, chrome board and board for playing cards).	Fifty naye paise per kilogram.
(3) Printing and writing paper, packing and wrapping paper, strawboard and pulp-board, including grey board, corrugated board, duplex and triplex boards, other sorts.	Thirty-five naye paise per kilogram.
(4) All other kinds of paper and paper-board not otherwise specified.	Fifty naye paise per kilogram."

(h) in Item No. 18, for the entry in the third column, the entry "Nine rupees per kilogram" shall be substituted;

(j) for Item No. 18A, the following Item shall be substituted, namely:—

"18A. COTTON TWIST, YARN AND THREAD, ALL SORTS, sized or unsized, in all forms including skeins, hanks, cops, cones, bobbins, pirns, spools, reels, cheeses, balls or on warp beams, in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power—

(1) of counts 29 or more;	One rupee per kilogram.
(2) of counts less than 29.	Fifty naye paise per kilogram.

Explanation.—(1) 'Counts' means the size of grey yarn expressed as the number of 1000 metre hanks per one half kilogram.

(2) For multiple fold yarn 'count' means the count of the basic single yarn.";

(j) in Item No. 18B—

(a) for sub-item (1), the following sub-item shall be substituted, namely:—

"(1) worsted yarn—

(*a*) of 48s counts and more;	Twenty per cent. *ad valorem*.
(*b*) of less than 48s counts.	Fifteen per cent. *ad valorem*."

(b) the following *Explanation* shall be inserted at the end, namely:—

Explanation.—'Count' means the size of single yarn expressed as the number of 560 yards hanks per pound.";

(k) for Item No. 25, the following Item shall be substituted, namely:—

"25. IRON IN ANY CRUDE FORM including pig iron, scrap iron, molten iron or iron cast in any other shape or size.	Forty-five rupees per metric tonne."

(l) for Item No. 26, the following Item shall be substituted, namely:—

"26. STEEL INGOTS including steel melting scrapl.	Fifty rupees per metric tonne.";

(m) in Item No. 26AA—

(i) for the entry in the third column against each of the sub-items (i) and (ia), the entry "Forty rupees per metric tonne plus the excise duty for the time being leviable on steel ingots" shall be substituted;

(ii) for sub-items (ii) and (iii), the following sub-items shall be substituted, namely:—

"(*ii*) Plates and sheets (including uncoated plates and sheets intended for tinning), all sorts, and hoops and strips, all sorts, other than skelp.	One hundred and fifty ruppees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.
(*iii*) Skelp	One hundred and fifty rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.";

(n) in Item No. 27, for the entry in the second column against sub-item (b), the entry "Manufactures, the following, namely, plates, sheets, circles, strips and extruded shapes and sections in any form or size." shall be substituted;

(o) in Item No. 33B, for the entry in the second column against sub-item (i), the entry "Insulated copper wires and cables, whether sheathed or unsheathed, any core of which, not being one specially designed as a pilot core, has a sectional area of less than 8·0645 square millimetres and wires and cables of other metals and alloys of not more than equivalent conductivity." shall be substituted;

(p) in Item No. 34,—

(i) after sub-item (3), the following sub item shall be inserted, namely:—

"(3a) Tractors, including agricultural tractors.	Ten per cent. *ad valorem.*

(ii) the following *Explanation* shall be inserted at the end, namely:—

"Explanation.—For the purposes of this Item, where a motor vehicle is mounted, fitted or fixed with any weight-lifting, earth moving and similar specialised material handling equipment, then such equipment other than the chassis shall not be taken into account.";

(q) for Item No. 36, the following Item shall be substituted, namely:—

"36. FOOTWEAR AND PARTS THEREOF in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power—

(1) Footwear	Ten per cent. *ad valorem*
(2) Parts of footwear . . .	Fifteen per cent. *ad valorem*

Explanation.—'Footwear' includes all varieties of footwear, whether known as boots, shoes, sandals, chappals, or by any other name.".

61. **Special duty of excise on certain goods.**—(1) When goods of the description mentioned in this section chargeable with a duty of excise under the first Schedule to the Central Excise Act, as amended, by this Act or any subsequent Act of Parliament or under that Schedule read with any notification of the Central Government for the time being in force, are assessed to duty, there shall be levied and collected.

(a) as respects goods comprised in Item Nos. 6, 8, 9, 14D, 22A, 23A except sub-item (1) thereof, 23B, 28, 29,sub-items (2) and (3) of Item No. 31 and Item No.32 of that Schedule, a special duty of excise equal to 10 per cent. of the total amount to chargeable on such goods;

(b) as respects goods comprised in Items Nos. 2, 3(1), sub-items I, II(2) and II(3) of Item No. 4, Items Nos. 13, 14, 14F, 15, 15A, 15B, 16, 16A, 17, 18A(2), 21,22,23, 23A(I), 27, 30, 31(I), 33, sub-items (1), (3a) and (4) of Item No. 34 and Item No. 37 of that Schedule, a special duty of excise equal to 20 per cent. of the total amount so chargeable on such goods; and

(c) as respects goods comprised in Items Nos. 4 II(1), 18, 18A(1), 18B, 20, 29A, 33A, sub-items (2) and (3) of Item No. 34 and readiograms comprised in Item No. 37A of that Schedule, a special duty of excise equal to 33 1/3 per cent. of the total amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1956 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such special duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

62. **Regulatory duty of excise.**—(1) There shall be levied and collected, with effect from such date as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all goods mentioned in the First Schedule to the Central Excises Act as amended by this Act or any subsequent Act of Parliament, a regulatory duty of excise which shall be fifteen per cent. of the value of the goods as

determined in accordance with the provisions of section 4 of the Central Excises Act:

Provided that different dates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 30th day of April, 1965, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such regulatory duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

63. **Discontinuance of salt duty.**—For the year beginning on the first day of April, 1964, no duty under the Central Excises Act, or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

64. **Amendment of Act 16 of 1955.**—In the Medicinal and Toilet Preparations (Excise Duties) Act, 1955:—

(a) in section 2,—

(i) in clause (h), for the words and figures "and which is a dangerous drug within the meaning of the Dangerous Drugs Act, 1930", the words "and includes all alkaloids of opium", shall be substituted;

(ii) for clause (i), the following clause shall be substituted, namely :—

"(i) 'opium' means—

(1) the capsules of the poppy (Papaver somniferum L), whether in their original form or cut, crushed or powdered and whether or not juice has been extracted therefrom:

(2) the spontaneously coagulated juice of such capsules which has not been submitted to any manipulations other than those necessary for packing and transport; and

(3) any mixture, with or without neutral materials, of any of the above forms of opium, and includes any derivative of opium;";

(b) for the Schedule, the following Schedule shall be substituted, namely :—

"THE SCHEDULE

(*See* Section 3)

Item No.	Description of dutiable goods	Rate of duty
	Medicinal Preparations	
1.	Allopathic Medicinal Preparations.—	
	(*i*) Medicinal preparations containing alcohol which are not capable of being consumed as ordinary alcoholic beverages—	
	(*a*) Patent or proprietary medicines	Ten per cent. *ad valorem* or rupee one and ten naye paise per litre of the strength of London proof spirit, whichever is higher.
	(*b*) Others	Rupee one and ten naye paise per litre of the strength of London proof spirit.
	(*ii*) Medicinal preparations containing alcohol which are capable of being consumed as ordinary alcoholic beverages—	
	(*a*) Medicinal preparations which contain known active ingredients in therapeutic quantities.	Ten per cent. *ad valorem* or rupees three and eighty-five naye paise per litre of the strength of London proof spirit, whichever is higher.
	(*b*) Others	Rupees fifteen and fity naye paise per litre of the strength of London proof spirit.
	(*iii*) Medicinal preparations not containing alcohol but containing opium, Indian hemp, or other narcotic drug or narcotic.	Ten per cent. *ad valorem*.
2.	Medicinal preparations in Ayurvedic, Unani or other indigenous systems of medicine—	
	(*i*) Medicinal preparations containing self-generated alcohol which are not capable of being consumed as ordinary alcoholic beverages.	*Nil*.
	(*ii*) Medicinal preparations containing self-generated alcohol which are capable of being consumed as ordinary alcoholic beverages.	Thirty-eight naye piase per litre of the strength of London proof spirit.

Item No.	Description of dutiable goods	Rate of duty
	(*iii*) All others containing alcohol which are prepared by distillation or to which alcohol has been added.	Rupees fifteen and fifty naye paise per litre of the strength of London proof spirit.
	(*iv*) Medicinal preparations not containing alcohol but containing opium, Indian hemp, or other narcotic drug or narcotic.	Ten per cent. *ad valorem*.
3.	Homoeopathic preparations containing alcohol.	Rupees three and eighty-five naye paise per litre of the strength of London proof spirit.
	Toilet Preparations	
4.	Toilet preparations containing alcohol, or opium, Indian hemp or other narcotic drug or narcotic.	Twenty-five per cent, *ad valorem* or rupees three and eighty-five naye paise per litre of the strength of London proof spirit, whichever is higher.

Explanation I.—'Patent or proprietary medicines' means any medicinal preparation which bears either on itself or on its container or both, a name which is not specified in a monograph in a Pharmacopoeia, Formulary or other publications notified in this behalf by the Central Government in the Official Gazette, or which is a brand name, that is, a name or a registered trade mark under the Trade and Merchandise Marks Act, 1958 (43 of 1958) or any other mark such as a symbol, monogram, label, signature or invented words or any writing which is used in relation to that medicinal preparation for the purpose of indicating or so as to indicate a connection in the course of trade between the preparation and some person having the right either as proprietor or otherwise to use the name or mark with or without any indication of the identity of that person.

Explanation II.—Where any article is chargeable with duty at a rate dependent on the value of the article, such value shall be deemed to be the value as determined in accordance with the provisions of section 4 of the Central Excises and Salt Act, 1944 (1 of 1944).

Explanation III.—'London proof spirit' means that mixture of ethyl alcohol and distilled water which at the temperature of 51 degrees Fahrenheit weights exactly 12/13th parts of an equal measure of distilled water at the same temperature.

Explanation IV.—Where in respect of any dutiable goods the unit of assessment for the purpose of any duty under this Act is a litre of the strength of London proof spirit, the duty shall be increased or reduced in such proportion as the strength of the dutiable goods is greater or less than that of the London proof spirit.".

65. **Amendment of Act 21 of 1963.**—In the Compulsory Deposit Scheme Act, 1963, in section 4, after sub-section (9), the following sub-sections shall be inserted, namely:—

"(9A) If any person has deposited any amount under the provisions of sub-section (3) or sub-section (4) which is in excess of the amount of additional surcharge payable by him, such excess shall, on an application made by that person, be refunded

to him with interest due thereon, in such manner as the Central Government thinks fit.

(9B) If any person who is liable to pay advance tax under the Income-tax Act has made a deposit under the provisions of sub-section (5) in the financial year commencing on the first day of April, 1963, the amount of such deposit shall, on an application made by that person, be refunded to him with interest due thereon, in such manner as the Central Government thinks fit.".

THE FIRST SCHEDULE

[*See* section 2]

Part I

Income-tax and surcharge on income-tax

Paragraph A

(i) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case—

Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener.	Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor coparcener.	Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor coparcener.	
Rs.	Rs.	Rs.	
(1) On the first 3,200 of total income	3,600 of total income	4,000 of total income	Nil
(2) On the next 1,800 ,,	1,400 ,,	1,000 ,,	6%
(3) On the next 2,500 ,,	2,500 ,,	2,500 ,,	10%
(4) On the next 5,000 ,,	5,000 ,,	5,000 ,,	15%
(5) On the next 7,500 ,,	7,500 ,,	7,500 ,,	20%

(ii) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of every unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies:—

(1) On the first Rs. 1,000 of total income	Nil
(2) On the next Rs. 4,000 of total income	6%
(3) On the next Rs. 2,500 of total income	10%
(4) On the next Rs. 5,000 of total income	15%
(5) On the next Rs. 7,500 of total income	20%
(6) On the balance of total income	25%

Provided that for the purposes of this Paragraph—

(i) no income-tax shall be payable on a total income which does not exceed the limit specified below:—

(ii) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit;

(ii) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(a) the income-tax which would have been payable if the total income had been Rs. 20,000;

(b) half the amount by which the total income exceeds Rs. 20,000.

The limit aforesaid shall be—

(i) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 3,000 in every other case.

Surcharge on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union, which shall be equal to the aggregate of the sums computed as hereunder:—

(a) where the amount of the income other than earned income, if any, included in the total income exceeds Rs. 10,000, a sum calculated on the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income, at the following rate, namely:—

(i) where the amount of the income other than the earned income, if any, included in the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000, — at the rate of 12·5%:

Provided that the amount of surcharge payable under this clause shall in no case exceed one-tenth of the amount by which the income other than the earned income exceeds Rs. 10,000;

(ii) where the amount of the income other than the earned income, if any, included in the total income exceeds Rs. 25,000 but does not exceed Rs. 75,000, — at the rate of 15%:

Provided that the surcharge payable under this clause shall in no case exceed the aggregate of the following sums, namely:—

(1) an amount calculated at the rate of twelve and a half per cent. on the amount of income-tax on an income of Rs. 25,000, if such income had been the total income (the income of Rs. 25,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the person concerned);

(2) one-tenth of the amount by which the income other than the earned income exceeds Rs. 25,000;

(iii) where the amount of the income other than the earned income, if any, included in the total income exceeds Rs. 75,000, at the rate of 17·5%:

Provided that the surcharge payable under this clause shall in no case exceed the aggregate of the following sums, namely:—

(1) an amount calculated at the rate of fifteen per cent. on the amount of income tax on an income of Rs. 75,000, if such income had been the total income (the income of Rs. 75,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the person concerned);

(2) one-tenth of the amount by which the income other than the earned income exceeds Rs. 75,000;

(b) where the earned income included in the total income exceeds Rs. 1,00,000, a sum calculated at ten per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000.

Paragraph B

In the case of every local authority,—

Rate of income-tax

On the whole of the total income .. 30%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of five per cent. of the amount of income-tax.

Paragraph C

In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,—

Rate of income-tax

On the whole of the total income ... 25%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 17·5 per cent. of the amount of income-tax.

Paragraph D

In the case of every company,—

Rate of income-tax

On the whole of the total income .. 25%:

Provided that a rebate at the rate of ten per cent. on so much of the total income as consists of dividends from an Indian company which is not such a company as is referred to in section 108 of the Income-tax Act and which is wholly or mainly engaged in the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule, shall be allowed in the case of a company which has not made the prescribed arrangements for the declaration any payment of dividends within India.

Explanation.—For the purposes of this Paragraph and Part III of this Schedule, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule, if the income attributable to any of the aforesaid activities included in its total income for the previous year is not less than fifty-one per cent. of such total income.

Paragraph E

In the case of every registered firm,—

Rates of income-tax

(1) On the first Rs. 25,000 of total income	... ...	Nil
(2) On the next Rs. 25,000 of total income	... ...	6%
(3) On the next Rs. 50,000 of total income	... ..	8%
(4) On the balance of total income	... ..	12%

Surcharge on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union equal to the sum of—

(i) twenty per cent. of the amount of income-tax payable by the firm on its income from any business carried on by it calculated at the average rate of income-tax applicable to its total income; and

(ii) ten per cent. of the amount of income-tax payable by it on its income from all sources other than from any business carried on by it calculated at the average rate of income-tax applicable to its total income.

PART II

Super-tax and surcharge on super-tax

Paragraph A

In the case of every individual, Hindu undivided family, unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of super-tax

(1)	On the first Rs. 20,000 of total income	Nil
(2)	On the next Rs. 5,000 of total income	10%
(3)	On the next Rs. 5,000 of total income	15%
(4)	On the next Rs. 20,000 of total income	30%
(5)	On the next Rs. 20,000 of total income	45%
(6)	On the balance of total income	50%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union, which shall be equal to the aggregate of the sums computed as hereunder:—

(a) where the amount of income other than earned income, if any, included in the total income exceeds Rs. 10,000, a sum calculated on the difference between the amount of super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income, at the following rate, namely:—

(*i*) where the amount of the income other than the earned income, if any, included in the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000, — at the rate of 12·5% :

Provided that the amount of surcharge payable under this clause shall in no case exceed one-eighth of the amount by which the income other than the earned income exceeds Rs. 10,000;

(*ii*) where the amount of income other than the earned income, if any, included in the total income exceeds Rs. 25,000 but does not exceed Rs. 75,000, — at the rate of 15% :

Provided that the surcharge payable under this clause shall in no case exceed the aggregate of the following sums, namely:—

(1) an amount calculated at the rate of twelve and a half per cent. on the amount of super-tax on an income of Rs. 25,000, if such income had been the total income (the income of Rs. 25,000 for his purpose being computed as if such income included income from various sources in the same proportion as the total income of the person concerned);

(2) one-eighth of the amount by which the income other than the earned income exceeds Rs. 25,000;

(*iii*) where the amount of the income other than the earned income, if any, included in the total income exceeds Rs. 75,000. at the rate of 17·5% :

Provided that the surcharge payable under this clause shall in no case exceed the aggregate of the following sums, namely:—

(1) an amount calculated at the rate of fifteen per cent. on the amount of super-tax on an income of Rs. 75,000, if such income had been the total income (the income of Rs. 75,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the person concerned);

(2) one-eighth of the amount by which the income other than the earned income exceeds Rs. 75,000;

(b) where the earned income included in the total income exceeds Rs. 1,00,000, a sum calculated at ten per cent. of of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000.

Paragraph B

In the case of every local authority,

Rate of super-tax

On the whole of the total income.....16%

Surcharge on super-tax

The amount of super-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

Paragraph C

In the case of every association of persons being a co-operative society as defined in clause (19) of section 2 of the Income-tax Act,—

Rates of super-tax

(1) On the first Rs. 25,000 of total income ... Nil

(2) On the balance of total income ... 16%

Surcharge on super-tax

The amount of super tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

Paragraph D

In the case of every company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, (31 of 1956),—

Rates of super-tax

On the whole of the total income ... 55%:

Provided that—

(i) a rebate at the rate of 37·5 per cent. on the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the assessment year commencing on the 1st day April, 1964, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such profits in accordance with the provisions of section 194 of that Act; and

(b) is such a company as is referred to in section 108 of the Income-tax Act with a total income not exceeding Rs. 25,000.

(ii) a rebate at the rate of 35 per cent. on so much of the total income as consists of profits and gains attributable to the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule; and at the rate of 30 per cent. on the balance of the total income shall be allowed in the case of a company which satisfies condition (a) of the preceding clause and which is such a company as is referred to in section 108 of the Income-tax Act with a total income exceeding Rs. 25,000;

(iii) (A) in the case of a company which is wholly or mainly engaged in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power and whose total income does not exceed rupees five lakhs, a rebate at the rate of 30 per cent. on so much of its total income as does not exceed rupees two lakhs and a rebate at the rate of 20 per cent. on the balance of the total income; and in addition, where the total income includes any income attributable to the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule, a rebate at the rate of 5 per cent. on so much of such inclusion as does not exceed rupees two lakhs and a rebate at the rate of 6 per cent. on the balance, if any, of such inclusion,

shall be allowed if—

(a) such company satisfies condition (a) of clause (i); and

(b) it is not such a company as is referred to in section 108 of the Income-tax Act;

(B) in the case of any company which is not entitled to any rebate under sub-clause (A) of this clause, a rebate at the rate of 26 per cent. on so much of its total income as is attributable to the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of

this Schedule; and at the rate of 20 per cent. on the balance of the total income,

shall be allowed if—

(a) such company satisfies condition (a) of clause (i); and

(b) it is not such a company as is referred to in section 108 of the Income-tax Act;

(iv) a rebate at the rate of 30 per cent. on so much of the total income as consists of royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern on or after the 1st day of April, 1961 and which has been approved by the Central Government; at the rate of 30 per cent. on so much of the total income as consists of fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 and which has been approved by the Central Government; and at the rate of 15 per cent. on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under any of the preceding clauses

Provided further that—

(i) the amount of the rebate under clause (i) or clause (ii) or clause (iii) of the preceding proviso shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder:—

(*a*) on the aggregate of the sums computed in the manner provided in clause (*i*) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance Act, 1963 (13 of 1963) as reduced by the amount, if any, which is deemed to have been taken into account, in accordance with clause (*ii*) of the said proviso, for the purpose of reducing the rebate mentioned in clause (*i*) of the said proviso to *nil*;	at the rate of 100%
(*b*) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital except where such bonus shares or bonus have been issued wholly out of the share premium account of the company after the 31st day of March, 1964 ; and	at the rate of 12 1/2%

(c) in addition, in the case of a company referred to in clause (i) or clause (ii) or clause (iii) of the preceding proviso (being such a company as is referred to in section 108 of the Income-tax Act or any other company as is referred to in clause (iii) of sub-section (2) of section 104 of that Act) which has declared or distributed to its shareholders during the previous year any dividends other than dividends on preference shares—

(A) in the case of a company which since the date of the commencement of its activities has declared or distributed any dividends for the first time during the previous year or any one of the four previous years immediately preceding such previous year—

on that part of the dividends other than dividends on preference shares which exceeds 10 per cent. of the paid-up equity capital;	at the rate of 7·5%

(B) in any other case—

on the whole amount of the dividends other than dividends on preference shares ; at the rate of 7·5%

(ii) where the sum arrived at in accordance with clause (i) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (i) or clause (ii) or clause (iii), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (a), (b) and (c) of clause (i) of this proviso as is sufficient, in that order, to reduce the rebate to *nil* shall be deemed to have been taken into account for the purpose:

Provided further that the super-tax payable by a company, as is referred to in section 108 of the Income-tax Act, and the total income of which exceeds rupees twenty-five thousand, shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been Rs. 25,000 (the income of Rs. 25,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) fifty-five per cent. of the amount by which its total income exceeds rupees twenty-five thousand:

Provided further that the super-tax payable by a company which is wholly or mainly engaged in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power and which is not such a company as is referred to in section 108 of the Income-tax Act and the total income of which exceeds rupees five lakhs, shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been rupees five lakhs (the income of rupees five lakhs for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) fifty-five per cent. of the amount by which its total income exceeds rupees five lakhs.

Explanation 1.—For the purposes of this Paragraph, a company shall be deemed to be mainly engaged in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power, if the income attributable to any of the aforesaid activities included in its total income for the previous year is not less than fifty one per cent. of such total income.

Explanation 2.—For the purposes of this Paragraph, where a part of the income of a company is not included in its total income because it is agricultural income, the amount declared or distributed as dividends (other than dividends on preference shares), the amount representing the face value of any bonus shares and the amount of any bonus issued to its shareholders shall each be deemed to be such proportion thereof as

the sum specified in clause (a) bears to the sum specified in clause (b), such sums being—

(a) the average amount of the total income of the company in the five previous years in which it has been in receipt of taxable income immediately preceding the relevant previous year; and

(b) the average amount of the total profits and gains (excluding capital receipts) of the company for the five previous years referred to in clause (a) reduced by such allowances as may be admissible under the Income-tax Act but which have not been taken into account by the company in its profit and loss accounts for the said five previous years.

Explanation 3.—For the removal of doubts it is hereby declared that where any dividends were declared by the company before the commencement of the previous year and are distributed by it during that year, no reduction in the rebate shall be made under sub-clause (c) of clause (i) of the second proviso in respect of such dividends.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956).—

Rate of super-tax

On the whole of its profits and gains from life insurance business . . . . . 22·5%

PART III

Rates for deduction of tax at source in certain cases

In every case in which under the provisions of sub-section (2) of section 192 and sections 193 to 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction, at the following rates:—

	Income-tax		Super-tax	
	Rate of income-tax	Rate of sur-charge	Rate of super-tax	Rate of sur-charge
1. In the case of a person other than a company—				
(*a*) where the person is resident—				
on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government);	18%	2%	*Nil*	*Nil*

	Income-tax		Super-tax	
	Rate of income-tax	Rate of surcharge	Rate of super-tax	Rate of surcharge
(*b*) where the person is not resident in India—				
(*i*) on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government);	25%	4·37%	Super-tax and surcharge on super-tax in accordance with the provisions of clause (*b*) of sub-section (1) of section 113 of the Income-tax Act.	
(*ii*) On the income from interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government.	*Nil*	*Nil*	Super-tax and surcharge on super-tax in accordance with the provisions of clause (*b*) of sub-section (1) of section 113 of the Income-tax Act.	

	Rate of income-tax	Rate of super-tax
2. In the case of a company—		
(*a*) where the company is either an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India.—		
on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government) ;	20%	..
(*b*) where the company is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India,—		
(*i*) on the income from dividends payable by an Indian company which is not such a company as is referred to in section 108 of the Income-tax Act and which is wholly or mainly engaged in the business of generation or distribution of electricity or of manufacture or production of any one or more of the articles specified in the list in Part IV of this Schedule. . . .	15%	*Nil*
(*ii*) on the income from dividends payable by any other Indian company or any company which has made the prescribed arrangements for the declaration and payment of dividends within India ;	25%	*Nil*

	Rate of income-tax	Rate of super-tax
(*iii*) on the income from royalties payable by an Indian concern in pursuance of an agreement which is made by it with the Indian concern on or after the 1st day of April, 1961 and which has been approved by the Central Government;	25%	25%
(*iv*) on the income from fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 and which has been approved by the Central Government;	25%	25%
(*v*) on the income from interest payable on any security of the Central Government issued or declared to be income-tax free and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government ; and	*Nil*	40%
(*vi*) on any other income	25%	40%

PART IV

List of articles

(1) Iron and steel (metal), ferro-alloys and special steels.

(2) Aluminium, copper, lead and zinc (Metals).

(3) Coal, lignite, iron ore, bauxite, manganese ore, dolomite, magnesite and mineral oil.

(4) Industrial machinery specified under the heading "8. Industrial Machinery", sub-heading "A. Major items of specialised equipment used in specific industries", of the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951).

(5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.

(6) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers.

(7) Machine tools, precision tools, dies and jigs.

(8) Tractors and earth-moving machinery.

(9) Steel castings and forgings.

(10) Cement and refractories.

(11) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (double salt), ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.

(12) Paper and pulp.

(13) Tea.

(14) Electronic equipment, namely, radar equipment, computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensors, coils, magnetic materials and micro wave components.

(15) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ethyl alcohol or hydrocarbons from other sources.

(16) Component parts of the articles mentioned in items Nos. (4), (5), (6) and (8), that is to say, such parts as are essential for the working of the machinery referred to in items aforesaid and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and are in complete finished form and ready for fitment.

THE SECOND SCHEDULE

(*See* section 3)

Rates of Annuity Deposits

(i) In the case of any depositor whose total income does not exceed Rs. 15,000. ... *Nil.*

(ii) In the case of any depositor whose total income exceeds Rs. 15,000 but does not exceed Rs. 20,000—

5 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed half the amount by which the total income exceeds Rs. 15,000.

(iii) In the case of a depositor whose total income exceeds Rs. 20,000 but does not exceed Rs. 40,000—

7½ per cent. of the adjusted total income :

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at five per cent. on so much of the adjusted total income as does not exceed Rs. 20,000;

(b) one-half of the amount by which the total income exceeds Rs. 20,000.

(iv) In the case of a depositor whose total income exceeds Rs. 40,000 but does not exceed Rs. 70,000—

10 per cent. of the adjusted total income :

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at seven and a half per cent. on so much of the adjusted total income as does not exceed Rs. 40,000;

(b) one-half of the amount by which the total income exceeds Rs. 40,000.

(v) In the case of a depositor whose total income exceeds Rs. 70,000—

12½ per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely:—

(a) an amount calculated at ten per cent. on so much of the adjusted total income as does not exceed Rs. 70,000;

(b) one-half of the amount by which the total income exceeds Rs. 70,000.

Explanation.—In this Schedule, "total income" means total income computed in the manner laid down in the Income-tax Act without making any allowance under section 280O of that Act.

THE THIRD SCHEDULE

(*See* section 56)

PART I

In the First Schedule to the Tariff Act,—

(i) in Item No. 28 (34),—

(1) for the entry in the fourth column against sub-item (a), the entry "70 per cent. *ad valorem*" shall be substituted;

(2) for the entry in the fourth column against sub-item (b), the entry "80 per cent. *ad valorem*" shall be substituted; and

(ii) in Item No. 63 (32),—

(1) for the entry in the fourth column against sub-item (a), the entry "Rs. 50·00 per tonne *plus* 25 per cent. *ad valorem*" shall be substituted;

(2) for the entry in the fourth column against sub-item (b), the entry "Rs. 84·00 per tonne *plus* 25 per cent. *ad valorem*" shall be substituted.

PART II

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7

In the First Schedule to the Tariff Act, for Item No. 8(2), the following Item shall be substituted, namely:—

"8(2) Fruits, dried (salted and all other kinds) not otherwise specified—					
(*A*) Almonds—					
(*a*) without shell . .	Preferential Revenue.	Rs. 430·00 per quintal.	..	Rs. 430·00 per quintal *less* 10 per cent *ad valorem.*	..
(*b*) in the shell—					
(*i*) soft shell .	Preferential Revenue.	Rs. 250·00 per quintal.	..	Rs. 250·00 per quintal *less* 10 per cent. *ad valorem.*	..
(*ii*) hard shell. .	Preferential Revenue.	Rs. 140·00 per quintal.	..	Rs. 140·00 per quintal *less* 10 per cent. *ad valorem.*	..
(*B*) Dates, dry, excluding seedless—					
(*a*) Shekra or Shakeria, Sakina and Brami.	Preferential Revenue.	Rs. 75·00 per quintal.	..	Rs. 75·00 per quintal *less* 10 per cent. *ad valorem.*	..
(*b*) Kapkapa, Chharra, Chupchap, Sarki, Sori, Omani and Bhatni.	Preferential Revenue.	Rs. 50·00 per quintal.	..	Rs. 50·00 per quintal *less* 10 per cent. *ad valorem.*	..
(*c*) All other qualities. .	Perferential Revenue.	Rs. 35·00 per quintal	..	Rs. 35·00 per quintal *less* 10 per cent. *ad valorem.*	..
(*C*) Dates, wet, excluding, seedless, in bags, baskets, gunny cloth or matting bundles.	Preferential Revenue.	Rs. 15·00 per quintal	..	Rs. 15·00 per quintal *less* 10 per cent. *ad valorem.*	..

1	2	3	4	5	6	7
(*D*) Pistachio nuts—						
	(*a*) with shell.	Preferential Revenue.	Rs. 200·00 per quintal.	..	Rs. 200·00 per quintal *less* 10 per cent. *ad valorem.*	..
	(*b*) without shell.	Preferential Revenue.	Rs. 500·00 per quintal.	..	Rs. 500·00 per quintal *less* 10 per cent. *ad valorem.*	..
(*E*) Raisins—						
	(*a*) Red, including Gul - dani and Lalmewa, in all pack ngs and containers.	Preferential Revenue.	Rs. 100·00 per quintal.	..	Rs. 100·00 per quintal *less* 10 per cent. *ad valorem.*	..
	(*b*) Black, including black Monacca, in all packings and containers.	Preferential Revenue.	Rs. 130·00 per quintal.	..	Rs. 130·00 per quintal *less* 10 per cent. *ad valorem.*	..
	(*c*) All other sorts, including Monacca and Abjosh, in all packings and containers.	Preferential Revenue.	Rs. 200·00 per quintal.	..	Rs. 200·00 per quintal *less* 10 per cent. *ad valorem.*	..
(*F*) Other sorts		Preferential Revenue.	60 per cent. *ad valorem.*	..	50 per cent. *ad valorem.*	..

LOK SABHA

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 1964-65.

(*As passed by Both Houses*)

MINISTRY OF FINANCE

(Department of Economic Affairs)

RESOLUTION

New Delhi, the 9th October 1964

No. F. 3(50)-B/64.—The annual financial statement for 1964-65 as presented to the Parliament on the 28th February, 1964 is now published in its final form for general information.

2. As a result of the modifications in the Finance Bill, 1964 accepted by Parliament, the central revenues will be reduced by Rs. 11,09,27,000 as indicated below:—

Corporation Tax	(—) 9,33,00,000
Taxes on Income	(—) 1,76,27,000
	(—) 11,09,27,000

3. The Demands for Grants for the year 1964-65 were voted without modifications.

4. The surplus on revenue account will thus stand at Rs. 82,99,05,000.

GOVERNMENT OF INDIA

BUDGET

of the

CENTRAL GOVERNMENT

FOR

1964-65

(As finally adopted)

MINISTRY OF FINANCE,
New Delhi, the 9th October, 1964

S. BHOOTALINGAM,
Secretary to the Government of India

I. GENERAL STATEMENT OF THE REVENUE AND EXPENDITURE

(In thousands of Rupees)

	For details *vide* Statement	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—					
REVENUE RECEIPTS—					
Taxes, Duties and other Principal Heads of Revenue—					
Customs . . .	A	2,45,96,18	3,01,20,00	3,20,00,00	3,30,00,00 +6,37,00*
Union Excise Duties .	,,	5,98,83,48	6,87,50,90	7,03,47,00	7,50,39,00 +19,15,00†
Corporation Tax . .	,,	2,21,49,63	2,22,00,00	2,75,00,00	2,95,00,00 +1,67,00*
Taxes on Income other than Corporation tax.	,,	90,68,87	1,20,05,00	1,15,70,56	1,41,55,17 (—) 1,76,27*
Estate Duty . .	,,	6,22	11,96	12,69	12,62 +5,00*‡
Taxes on Wealth .	,,	9,53,81	9,40,00	10,00,00	10,00,00 +20,00*
Expenditure Tax .	,,	20,13	9,50	17,50	5,00 +1,50,00*
Gift Tax . . .	,,	96,76	95,00	1,10,00	1,10,00 +2,00,00*
Other Heads . .		18,14,09	19,86,66	20,46,01	21,56,93
TOTAL—TAXES, DUTIES AND OTHER PRINCIPAL HEADS OF REVENUE .		11,85,89,17	13,61,19,02	14,46,03,76	15,49,78,72 +29,17,73*
Debt Services . .	,,	1,53,23,22	2,17,05,05	2,20,45,89	2,52,13,55
Administrative Services	,,	6,91,98	6,76,41	8,25,25	8,98,01
Social and Developmental Services . . .	,,	46,90,66	31,60,55	29,24,91	28,13,09
Multi-purpose River Schemes, Irrigation and Electricity Schemes .	,,	55,84	45,03	15,28	11,18
Public Works (including Roads) and Schemes of Miscellaneous Public Improvements . .	,,	3,74,98	4,38,10	3,76,77	3,75,26
Transport and Communications (other than Roads	,,	7,12,67	7,46,32	7,19,88	6,80,70
Currency and Mint .	,,	54,23,63	73,67,71	57,36,63	53,72,98
Miscellaneous . .	,,	27,88,34	24,93,05	17,47,96	17,29,21
Contributions and Miscellaneous Adjustments (other than contributions from Railways and (P. & T.)	,,	3,73,72	2,40,45	4,02,14	5,16,64
Contrbution from Railways	,,	20,36,95	24,15,33	23,90,04	24,53,20
Contribution from Posts and Telegraphs .	,,	77,39	1,10,70	1,19,29	1,38,30
Extraordinary Items .	,	73,90,92	81,00,00	94,60,31	1,43,31,44
TOTAL—REVENUE RECEIPTS		15,85,29,47	18,36,17,72	19,13,68,11	20,95,12,28 +29,17,73*
EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT		..	16,22,41	..	..
TOTAL . .		15,85,29,47	18,52,40,13	19,13,68,11	21,24,30,01

NOTE.—The Accounts for 1962-63 have not been finally closed and the actuals given here are only provisional.

*Effect of the Finance Act, 1964.

†Excludes a sum of Rs. 39 lakhs being the share of Union Excise Duties payable to States, which has been taken in reduction of Revenue.

‡Excludes a sum of Rs. 2·95 crores which will accrue to the States.

**Ecludes a sum of Rs. 95·37 lakhs, loss to the States on account of the modifications effected through Finance Act, 1964.

MET FROM REVENUE OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

	For details *vide* Statement	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—					
EXPENDITURE MET FROM REVENUE—					
Collection of Taxes, Duties and other Principal Revenues . . .	B	23,46,76	23,83,00	23,66,98	25,33,72
Debt Services . .	,,	2,45,43,14	2,80,24,05	2,82,06,10	3,18,41,16
Administrative Services .	,,	75,17,56	88,28,22	80,45,24	81,83,57
Social and Developmental Services . . .	,,	1,59,20,08	1,55,39,86	1,46,94,45	1,68,13,91
Multi-purpose River Schemes, Irrigation and Electricity Schemes . .	,,	1,36,04	1,95,57	1,35,68	1,83,90
Public Works (including Roads) and Schemes of Miscellaneous Public Improvements . .	,,	18,50,47	20,93,99	21,64,89	20,20,97
Transport and Communications (other than Roads) . . .	,,	9,31,26	9,78,69	8,70,42	10,18,42
Currency and Mint . .	,,	22,02,61	17,24,50	16,75,81	17,32,89
Miscellaneous . . .	,,	1,04,44,82	1,10,98,56	91,98,92	98,51,09
Contributions and Miscellaneous Adjustments .	,,	3,23,36,38	3,49,03,96	3,75,14,81	4,34,18,87
Extraordinary Items .	,,	64,30,70	86,18,73	84,05,54	1,47,52,06
Defence Services (*a*). .	,,	4,25,29,73	7,08,51,00	6,92,54,70	7,18,80,40
TOTAL—EXPENDITURE MET FROM REVENUE . .		14,71,89,55	18,52,40,13	18,25,33,64	20,41,30,96
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS		1,13,39,92	..	88,34,47	82,99,05
TOTAL .		15,85,29,47	18,52,40,13	19,13,68,11	21,24,30,01

(*a*) Figures shown net ; the receipts shown in Statement A have been deducted from the expenditure shown in Statement B.

II. GENERAL STATEMENT OF THE RECEIPTS

(In thousands of Rupees)

RECEIPTS	For details *vide* Statement	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—					
Revenue Surplus (as shown in Part I) .		1,13,39,92	..	88,34,47	82,99,05
Capital Accounts not met from Revenue .	C	..	..	..	4,33,00
Permanent Debt (net) .	,,	4,47,71,95	6,31,36,33	7,14,93,02	7,37,81,43
Floating Debt (net) .	,,	1,28,01,50	1,81,02,14	42,02,14	96,02,14
Loans and Advances by the Central Government (net) . .	,,	..	..	..	..
Inter-State Settlement (net) . . .	,,	1,75,79	..	..	..
TOTAL—I—CONSOLIDATED FUND OF INDIA . .	,,	6,90,9,16	8,12,38,47	8,45,29,63	9,12,15,62
II.—CONTINGENCY FUND OF INDIA .	C	4	..	66	
III.—PUBLIC ACCOUNT—					
Unfunded Debt (net) .	C	1,63,83,05	2,66,71,67	45,64,61	1,05,71,36 +57,00,00*
Depreciation and other Reserve Funds (net) .	,,	27,28,31	36,37,80	42,32,88	43,45,58
Appropriation for Reduction or Avoidance of debt . . .	,,	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances (net) . .	,,	2,31,87,27	2,22,63,52	2,17,05,66	4,03,38,57 —7,00,00*
Remittances (net) .	,,	..	9,37,21	5,47,14	..
Transfer of Cash between England and India (net) . .	,,	4,58,34	..	..	..
TOTAL—III—PUBLIC ACCOUNT . . .		4,32,56,97	5,40,10,20	5,15,50,29	5,57,55,51 +50,00,00*
TOTAL—RECEIPTS . .		11,23,46,17	13,52,48,67	13,60,80,58	15,28,71,13
OPENING BALANCE . .	C	49,39,87	50,62,05	67,82,93	50,21,10
TOTAL . .		11,72,86,04	14,03,10,72	14,28,63,51	15,78,92,23

*Effect of Budget proposals.

AND DISBURSEMENT OF THE CENTRAL GOVERNMENT

(In thousands of Rupees

DISBURSEMENTS	For details *vide* Statement	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—					
Revenue Deficit (as shown in Part I) .		..	16,22,41	..	..
Capital Accounts not met from Revenue .	C	6,12,16,57	8,87,37,03	8,30,06,54	9,70,47,82
Permanent Debt (net) .	”	..	..	..	..
Floating Debt (net) . .	”	..	..	..	..
Loans and Advances by the Central Government net	”	4,6,,93	4,48,48,96	5,47,45,46	5,42,87,21
Inter-State Settlement (net) . . .	”	..	90,41	90,41	21
TOTAL—I.—CONSOLIDATED FUND OF INDIA .	”	10,81,02,50	13,52,98,81	13,78,42,41	15,13,35,24
II.—CONTINGENCY FUND OF INDIA .	”	66	..	..	..
III.—PUBLIC ACCOUNT—					
Unfunded Debt (net) .	”	..	..	..	..
Depreciation and other Reserve Funds (net) .	”	..	..	..	..
Other Deposits and Advances (net) . .	”	..	..	..	..
Remittances (net) . .	”	23,66,58	..	..	16,03,82
Transfer of Cash between England and India (net) . .	”	..	..	..	..
Reserve Bank Deposits (net) . . .	”	33,37	..	..	..
TOTAL—III—PUBLIC ACCOUNT . . .	”	23,99,95	..	..	16,03,82
TOTAL—DISBURSEMENTS .		11,05,03,11	13,52,98,81	13,78,42,41	15,29,39,06
CLOSING BALANCE . .	C	67,82,93	50,11,91	50,21,10	49,53,17
TOTAL . .		11,72,86,04	14,03,10,72	14,28,63,51	15,78,92,23

A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease (—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease (—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—						
TAXES, DUTIES AND OTHER PRINCIPAL HEADS OF REVENUE—						
I.—Customs . .	2,45,96,18	3,01,20,00	3,20,00,00	+18,80,00	3,36,37,00	+16,37,00
II.—Union Excise Duties . .	5,98,83,48	6,87,50,90	7,03,47,00	+15,96,10	7,69,54,00	+66,07,00
III.—Corporation Tax	2,21,49,63	2,22,00,00	2,75,00,00	+53,00,00	2,96,67,00	+21,67,00
IV.—Taxes on Income other than Corporation Tax .	90,68,87	1,20,05,00	1,15,70,56	—4,34,44	1,39,78,90	+24,08,34
V.—Estate Duty . .	6,22	11,96	12,69	+73	17,62	+4,93
VI.—Taxes on Wealth . .	9,53,81	9,40,00	10,00,00	+60,00	10,20,00	+20,00
VII.—Expenditure Tax	20,13	9,50	17,50	+8,00	1,55,00	+1,37,50
VIII.—Gift Tax .	96,76	95,00	1,10,00	+15,00	3,10,00	+2,00,00
IX.—Land Revenue .	58,24	69,78	28,35	—41,43	16,22	—12,13
X.—State Excise Duties . .	2,25,68	1,56,61	1,76,87	+20,26	1,73,86	—3,01
XI.—Taxes on Vehicles . .	68,82	1,09,78	1,24,84	+15,06	1,30,38	+5,54
XII.—Sales Tax .	6,64,59	8,67,70	8,82,70	+15,00	9,78,51	+95,81
XIII.—Other Taxes and Duties . .	2,96,42	2,96,09	3,08,11	+12,02	3,17,19	+9,08
XIV.—Stamps .	4,84,17	4,70,25	5,10,82	+40,57	5,27,25	+16,43
XV.—Registration Fees	16,17	16,45	14,32	—2,13	13,52	—80
TOTAL—TAXES, DUTIES AND OTHER PRINCIPAL HEADS OF REVENUE . . .	11,85,89,17	13,61,19,02	14,46,03,76	+84,84,74	15,78,96,45	1,32,92,69
DEBT SERVICES—						
XVI.—Interest—						
Interest from State and Union Territory Governments .	68,51,70	1,00,00,00	98,00,00	—2,00,00	1,13,00,00	+15,00,00
Interest from Railways . . .	60,89,06	68,95,53	71,12,61	+2,17,08	78,70,25	+7,57,64
Interest from Posts and Telegraphs .	4,89,72	5,71,67	6,12,20	+40,53	7,04,66	+92,46
Interest from other Commercial Departments . .	1,29,19					
Other Interest Receipts . . .	17,63,55	42,37,85	45,21,08	+2,83,23	53,38,64	+8,17,56
TOTAL—DEBT SERVICES	1,53,23,22	2,17,05,05	2,20,45,89	+3,40,84	2,52,13,55	+31,67,66
CARRIED OVER .	13,39,12,39	15,78,24,07	16,66,49,65	+88,25,58	18,31,10,00	1,64,60,35

A—STATEMENT OF THE REVENUE OF THF CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Ravised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward . .	13,39,12,39	15,78,24,07	16,66,49,65	+88,25,58	18,31,10,00	1,64,60,35
ADMINISTRATIVE SERVICES—						
XVII.—Administration of Justice . . .	24,35	26,52	26,24	—28	26,70	+46
XVIII.—Jails . . .	2,55	2,85	2,99	+14	3,12	+13
XIX.—Police . . .	92,20	43,96	50,22	6,26	56,61	+6,39
XX.—Supplies and Disposals . . .	4,03,15	3,99,88	5,74,20	+1,74,32	6,16,70	+42,50
XXI.—Miscellaneous Departments . .	1,69,73	2,03,20	1,71,50	—31,60	1,94,88	+23,28
TOTAL—ADMINISTRATIVE SERVICES . . .	6,91,98	6,76,41	8,25,25	+1,48,84	8,98,01	+72,76
SOCIAL ND DEVELOPMENTAL SERVICES—						
XXII.—Education .	58,27	63,06	49,04	—14,02	47,69	—1,35
XXIII.—Medical .	47,06	53,59	58,79	+5,20	59,38	+59
XXIV.—Public Health .	26,02	19,99	23,04	+3,05	21,38	—1,66
XXV.—Agriculture .	1,55,09	1,68,11	1,68,10	—1	1,66,58	—1,52
XXVI.—Rural Development . . .	87	35	35	..	30	—5
XXVII.—Animal Husbandry . . .	24,82	29,79	26,52	—3,27	27,46	+94
XXVIII.—Cooperation .	4,43	2,39	3,10	+71	3,51	+41
XXIX.—Industries .	35,04,06	19,53,19	16,88,71	—2,64,48	14,84,34	—2,04,37
XXX.—Broadcasting .	4,01,25	4,15,98	4,19,53	+3,55	4,35,82	+16,29
XXXI.—Community Development Projects, National Extension Service and Local Development Works .	5,50	5,18	3,42	—1,76	2,49	—93
XXXII.—Miscellaneous, Social and Developmental Organisations .	4,63,29	4,48,92	4,84,31	+35,39	5,64,14	+79,83
TOTAL—SOCIAL AND DEVELOPMENTAL SERVICES . . .	46,90,66	31,60,55	29,24,91	—2,35,64	28,13,09	—1,11,82
CARRIED OVER .	13,92,95,03	16,16,61,03	17,03,99,81	+87,38,78	18,68,21,10	+1,64,21,2

A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease (—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease (—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward .	13,92,95,03	16,16,61,03	17,03,99,81	+87,38,78	18,68,21,10	1,64,21,29
MULTI-PURPOSE RIVER SCHEMES IRRIGATION AND ELECTRICITY SCHEMES—						
XXXII.—Multipurpose River Schemes. .	24,08	3,15	4,43	+1,28	4,72	+29
XXV.—Irrigation, Navigation, Embadkment and Drainage Works (Non-Commercial . .	29	8	15	+7	12	—3
XXXVI.—Electricity Schemes . .	7	41,80	10,70	—31,10	6,34	—4,36
OTAL—MULTI-PURPOSE RIVER SCHEMES, IRRIGATION AND ELECTRICITY SCHEMES . . .	55,84	45,03	15,28	—29,75	11,18	—4,10
CARRIED OVER .	13,93,50,87	16,17,06,06	17,04,15,09	+87,09,03	18,68,32,28	+1,64,17,19

A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward .	13,93,50,87	16,17,06,06	17,04,15,09	+87,09,03	18,68,32,28	+1,64,17,19
PUBLIC WORKS (INCLUDING ROADS) AND SCHEMES OF MISCELLANEOUS PUBLIC IMPROVEMENTS—						
XXXVII—Public Works .	3,74,98	4,38,10	3,76,77	—61,33	3,75,26	—1,51
TRANSPORT AND COMMUNICATIONS (OTHER THAN ROADS)—						
XXXIX.—Ports and Pilotage .	44,72	48,17	50,00	+1,83	55,00	+5,00
XL.—Mercantile Marine . .	11,19	9,24	11,15	+1,91	11,06	—9
XLI.—Lighthouses and Lightships .	1,00,96	1,10,41	1,14,23	+3,82	1,09,30	—4,93
XLII.—Aviation	1,54,69	1,17,29	1,93,33	+76,04	2,00,21	+6,88
XLIII.—Road and Water Transport Schemes . .	1,50,55	1,60,91	50,87	—1,10,04	4,83	— 46,04
XLIV.—Overseas Communications Service .	2,50,56	3,00,30	3,00,30	..	3,00,30	..
TOTAL—TRANSPORT AND COMMUNICATIONS (OTHER THAN ROADS)	7,12,67	7,46,32	7,19,88	—26,44	6,80,70	—39,18
CARRIED OVER .	14,04,38,52	16,28,90,48	17,15,11,74	+86,21,26	18,78,88,24	+1,63,76,50

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A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward	14,04,38,52	16,28,90,48	17,15,11,74	+86,21,26	18,78,88,24	+1,63,76,50
CURRENCY AND MINT—						
XLV.—Currency and Coinage	53,45,99	71,04,27	55,06,79	—15,97,48	51,44,47	—3,62,32
XLVI.—Mint	23,64	22,09	32,42	+10,33	26,93	—5,49
XLVI-A—Kolar Gold Mines	54,00	2,41,35	1,97,42	—43,93	2,01,58	+4,16
TOTAL—CURRENCY AND MINT	54,23,63	73,67,71	57,36,63	—16,31,08	53,72,98	—3,63,65
MISCELLANEOUS—						
XLVIII.—Contributions and Recoveries towards Pensions and Other Retirement benefits	1,95,00	96,57	1,23,10	+26,53	2,01,81	+78,71
XLIX.—Stationery and Printing	75,89	76,48	74,86	—1,62	74,19	—67
L.—Opium	3,57,22	4,50,98	3,91 50	—59,48	3,36,90	—54,60
LI.—Forest	4,42,35	4,82,39	1,93,46	—2,88,93	1,74,66	—18,80
LII.—Miscellaneous	17,17,88	13,86,63	9,65,04	—4,21,59	9,41,65	—23,39
TOTAL—MISCELLANEOUS.	27,88,34	24,93,05	17,47,96	—7,45,09	17,29,21	—18,75
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS—						
LIII.—Contribution from Railw ays	20,36,95	24,15,33	23,90,04	—25,29	24,53,20	+63,16
LIV—Contribution from Posts and Telegraphs	77,39	1,10,70	1,19,29	+8,59	1,38,30	+19,01
LVII.—Miscellaneous Adjustments between Central, State and Union Territory Governments	..	..	..	..	..	..
LVIII.—Dividends etc. from Commercial and other Undertakings	3,73,72	2,40,45	4,02,14	+1,61,69	5,16,64	+1,14,50
LIX.—Other Miscellaneous Contributions and Assignments	..	..	..	..	..	..
TOTAL—CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS.	24,88,06	27,66,48	29,11,47	+1,44,99	31,08,14	+1,96,67
CARRIED OVER	15,11,38,55	17,55,17,72	18,19,07,80	+63,90,08	19,80,98,57	+1,61,90,77

A—STATEMENT OF THE REVENUE OF THE CENTRAL GOVERNMENT—*concld.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward	15,11,38,55	17,55,17,72	18,19,07,80	+63,90,08	19,80,98,57	+1,61,90,77
EXTRAORDINARY ITEMS—						
LX—EXTRAORDINARY RECEIPTS	54,85,96	45,00,00	64,74,00	+19,74,00	1,40,31,44	+75,57,44
LXI.—Prepartition Receipts	—19,62	..	..	..	..	..
LXI-A—Receipts connected with the National Emergency	19,24,58	36,00,00	29,86,31	—6,13,69	3,00,00	—26,86,31
TOTAL—EXTRAORDINARY ITEMS	73,90,92	81,00,00	94,60,31	+13,60,31	1,43,31,44	+48,71,13
DEFENCE SERVICES—						
LXII—Defence Services—Effective	19,31,30	17,06,85	20,05,76	+2,98,91	16,79,60	—3,26,16
LXIII.—Defence Services—Non-effective	47,81	52,55	1,14,65	+62,10	1,06,50	—8,15
TOTAL—DEFENCE SERVICES	19,79,11	17,59,40	21,20,41	+3,61,01	17,86,10	—3,34,31
POSTS AND TELEGRAPHS—						
LXIX.—Posts and Telegraphs	97,87,37	1,07,51,00	1,14,00,00	+6,49,00	1,27,00,00	+13,00,00
RAILWAYS—						
Railway Revenue as per Railway Budget	5,67,74,19	5,99,95,07	6,22,75,27	+22,80,20	6,68,15,71	+45,40,44
TOTAL—REVENUE	22,70,70,14	25,61,23,19	26,71,63,79	+110,40,60	29,37,31,82	+2,65,68,03
Excess of Expenditure over Revenue or Deficit	..	16,22,41	..	..	..	..

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
COLLECTION OF TAXES, DUTIES AND OTHER PRINCIPAL REVENUE—						
1.—Customs . .	4,19,34	4,18,03	4,15,14	—2,89	4,64,24	+49,10
2.—Union Excise Duties . .	8,32,38	8,53,51	8,76,94	+23,43	9,07,02	+30,08
3.—Corporation Tax .	..	56,84	76,87	+20,03	81,23	+4,36
4.—Taxes on Income Other than Corporation Tax . . .	6,58,31	5,91,31	5,86,95	—4,36	6,68,77	+81,82
5.—Estate Duty . .	62	8,80	9,32	+52	9,30	—2
6.—Taxes on Wealth . . .	..	29,76	24,96	—4,80	27,09	+2,13
7.—Expenditure Tax . . .	..	31	44	+13	14	—30
8.—Gift Tax . .	..	2,81	2,37	—44	2,57	+20
9.—Land Revenue .	72,57	67,98	26,47	—41,51	7,26	—19,21
10.—State Excise Duties . . .	33,65	6,22	3,93	—2,29	3,09	—84
11.—Taxes on Vehicles . . .	4,33	4,80	4,25	—55	4,08	—17
12.—Sales Tax . .	14,27	14,58	13,93	—65	16,08	+2,15
13.—Other Taxes and Duties . . .	14,36	22,75	21,72	—1,03	24,99	+3,27
14.—Stamps . .	2,944,73	3,02,95	3,02,35	—60	3,16,92	+14,57
15.—Registration Fees . . .	2,20	2,35	1,34	—1,01	94	—40
TOTAL—COLLECTION OF TAXES, DUTIES AND OTHER PRINCIPAL REVENUES.	23,46,76	23,83,00	23,66,98	—16,02	25,33,72	+1,66,74
DEBT SERVICES— 16.—Interest on Debt and Other Obligations . .	2,40,43,14	2,75,24,05	2,77,06,10	+1,82,05	3,13,41,16	+36,35,06
TOTAL—Interest on Debt etc.-Carried Over	2,40,43,14	2,75,24,05	2,77,06,10	+1,82,05	3,13,41,16	+36,35,06
Carried Over .	23,46,76	23,83,00	23,66,98	- 16,02	25,33,72	+1,66,74

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward .	23,46,76	23,83,00	23,66,98	—16,02	25,33,72	+1,66,74
Brought Forward .	2,40,43,14	2,75,24,05	2,77,06,10	+1,82,05	3,13,41,16	+36,35,06
17.—Appropriation for Reduction or Avoidance of Debt .	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL—DEBT SERVICES	2,45,43,14	2,80,24,05	2,82,06,10	+1,82,05	3,18,41,16	+36,35,06
ADMINISTRATIVE SERVICES—						
18.—Parliament, State and Union Territory Legislatures . .	3,06,38	2,88,12	2,30,76	—57,36	2,42,21	+11,45
19.—General Administration .	19,14,86	19,70,61	19,09,02	—61,59	19,50,82	+41,80
20.—Audit . .	9,08,79	9,70,91	9,69,59	—1,32	10,58,68	+89,09
21.—Administration of Justice . .	63,79	60,93	52,13	—8,80	49,10	—3,03
22.—Jails . .	23,74	25,56	16,64	—8,92	11,54	—5,10
23.—Police . .	23,44,42	33,52,82	26,94,19	—6,58,63	25,02,24	—1,91,95
24.—External Affairs	12,87,74	15,17,12	14,92,40	—24,72	16,47,77	+1,55,37
25—Supplies and Disposals . .	3,15,16	3,21,18	3,33,11	+11,93	3,53,33	+20,22
26.—Miscellaneous Departments .	3,52,68	3,20,97	3,47,40	+26,4	3,67,88	+20,48
TOTAL—ADMINISTRATIVE SERVICES .	75,17,56	88,28,22	80,45,24	—7,82,98	81,83,57	+1,38,33
CARRIED OVER .	3,44,07,46	3,92,35,27	3,86,18,32	—6,16,95	4,25,58,45	+39,40,13

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward .	3,44,07,46	3,92,35,27	3,86,18,32	—6,16,95	4,25,58,45	+39,40,13
SOCIAL AND DEVELOPMENTAL SERVICES—						
27.—Scientific Departments . .	27,13,83	30,14,31	29,90,98	—23,33	31,88,60	+1,97,62
28.—Education .	28,24,47	30,03,17	30,37,92	+34,75	40,94,90	+10,56,98
29.—Medical .	6,76,36	7,70,01	7,66,48	—3,53	8,65,35	+98,87
30.—Public Health	3,56,83	4,85,05	3,86,45	—98,60	4,56,13	+69,68
31.—Agriculture .	8,07,55	8,60,83	7,88,30	—72,53	9,84,79	+1,96,49
32.—Rural Development . .	69	95	99	+4	30	—69
33.—Animal Husbandry. . .	1,16,98	1,26,58	1 03, 18	—23,40	1,27,97	+24,79
34.—Co-operation	3,31,87	3,90,52	3,68,10	—22,42	5,33,62	+1,65,52
35.—Industries .	56,44,16	43,35,41	37,28,89	—6,06,52	38,23,91	+95,02
36.—Broadcasting.	5,27,22	5,04,08	5,01,92	—2,16	5,50,73	+48,81
37.—Community Development Projects, National Extension Service and Local Development Works . .	2,11,18	1,91,94	99,64	—92,30	85,42	—14,22
38.—Labour and Employment .	5,32,20	6,70,97	6,64,22	—6,75	7,18,81	+54,59
39.—Miscellaneous Social and Developmental Organisations	11,75,00	11,80,86	12,53,96	+73,10	13,81,18	+1,27,22
40.—Capital Outlay on Industrial Development met from Revenue .	1,74	5,18	3,42	—1,76	2,20	—1,22
TOTAL—SOCIAL AND DEVELOPMENTAL SERVICES . .	1,59,20,08	1,55,39,86	1,46,94,45	—8,45,41	1,68,13,91	+21,19,46
CARRIED OVER .	5,03,27,54	5,47,75,13	5,33,12,77	—14,62,36	5,93,72,36	+60,59,59

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward .	5,03,27,54	5,47,75,13	5,33,12,77	—14,62,36	5,93,72,36	60,59,59
MULTI-PURPOSE RIVER SCHEMES. IRRIGATION AND ELECTRICITY SCHEMES—						
42.—Multi-purpose River Schemes .	53,29	62,95	71,66	+8,71	1,19,05	+47,39
44.—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial) .	12,07	15,73	6,06	—9,67	5,36	—70
45.—Electricity Schemes	70,68	1,16,89	57,96	—58,93	59,49	+1,53
TOTAL—MULTI-PURPOSE RIVER SCHEMES, IRRIGATION AND ELECTRICITY SCHEMES	1,36,04	1,95,57	1,35,68	—59,89	1,83,90	+48,22
PUBLIC WORKS (INCLUDING ROADS) AND SCHEMES OF MISCELLANEOUS; PUBLIC IMPROVEMENTS—						
50.—Public Works .	18,50,47	20,93,99	21,64,89	+70,90	20,20,97	—1,43,92
TRANSPORT AND COMMUNICATIONS (OTHER THAN ROADS)—						
53.—Ports and Pilotage .	56,81	33,57	55,02	+21,45	41,33	—13,69
54.—Mercantile Marine . .	82,46	98,65	97,68	—97	1,28,62	+30,94
55.—Lighthouses and Lightships .	1,00,12	1,10,41	1,14,23	+3,82	1,09,30	—4,93
56.—Aviation . .	3,95,07	3,89,00	3,88,91	—9	5,57,21	+1,68,30
57.—Road and Water Transport Schemes . .	1,57,94	2,07,32	78,39	—1,28,93	23,66	—54,73
58.—Overseas Communications Service .	1,38,86	1,39,74	1,36,19	—3,55	1,58,30	+22,11
TOTAL—TRANSPORT AND COMMUNICATIONS (OTHER THAN ROADS) . . .	9,31,26	9,78,69	8,70,42	—1,08,27	10,18,42	+1,48,00
Carried Over .	5,32,45,31	5,80,43,38	5,64,83,76	—15,59,62	6,25,95,65	+61,11,89

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease (—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward	5,32,45,31	5,80,43,38	5,64,83,76	—15,59,62	6,25,95,65	+61,11,89
CURRENCY AND MINT—						
62.—Currency and Coinage	17,93,58	9,14,09	8,85,74	—28,35	9,53,11	+67,37
63.—Mint	2,39,97	2,52,27	2,52,27	..	2,64,39	+12,12
63-A—Kolar Gold Mines	1,69,06	5,58,14	5,37,80	—20,34	5,15,39	—22,41
TOTAL—CURRENCY AND MINT	22,02,61	17,24,50	16,75,81	—48,69	17,32,89	+57,08
MISCELLANEOUS—						
64.—Famine Relief	2,15	3,03	9,35	+6,32	54	—8,81
65.—Pensions and other retirement benefits	5,27,22	5,31,47	5,42,00	+10,53	5,73,21	+31,21
66.—Territorial and Political Pensions	21,08	22,92	22,31	61	21,80	—51
67.—Privy Purses and Allowances of Indian Rulers	5,14,55	5,13,39	5,12,62	—77	5,09,17	—3,45
68.—Stationery and Printing	3,93,78	3,67,86	3,30,98	—36,88	3,25,09	—5,89
69.—Opium	4,37,12	3,02,33	3,41,63	+39,30	2,88,76	—52,87
70.—Forest	4,17,98	4,31,16	2,87,53	—1,43,63	2,52,81	—34,72
71.—Miscellaneous	81,30,94	89,26,40	71,52,50	—17,73,90	78,79,71	+7,27,21
TOTAL—MISCELLANEOUS	1,04,44,82	1,10,98,56	91,98,92	—18,99,64	98,51,09	+6,52,17
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS—						
73.—Payments of States' share of Union Excise Duties	1,24,91,33	1,28,06,99	1,35,98,55	+7,91,56	1,40,97,76	+4,99,21
74.—Grants-in-aid to State and Union Territory Governments	1,95,03,00	2,17,54,76	2,35,70,08	+18,15,32	2,89,07,51	+53,37,43
75.—Miscellaneous Adjustments between Central, State and Union Territory Governments	14,37	25,08	30,08	+5,00	28,18	—1,90
76.—Other Miscellaneous Contributions and Assignments	3,27,68	3,17,13	3,16,10	—1,03	3,85,42	+69,32
TOTAL—CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS	3,23,36,38	3,49,03,96	3,75,14,81	+26,10,85	2,34,18,87	+59,04,06
Carried Over	9,82,29,12	10,57,70,40	10,48,73,30	—8,97,10	11,75,98,50	1,27,25,20

B—STATEMENT OF THE EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT—*concld.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase (+) Decrease (—) as compared with Budget, 1963-64	Budget Estimate, 1964-65	Increase (+) Decrease(—) as compared with Revised, 1963-64
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought Forward	9,82,29,12	10,57,70,40	10,48,73,30	—8,97,10	11,75,98,50	+1,27,25,20
EXTRAORDINARY ITEMS						
77.—Extraordinary charges	55,10,48	46,65,73	65,65,75	+19,00,02	1,42,25,75	+76,60,00
78—Pre-partition Payments	8,79	22,17	15,68	—6,49	20,92	+5,24
78-A.—Expenditure connected with the National Emergency	9,11,43	39,30,83	18,24,11	—21,06,72	5,05,39	—13,18,72
TOTAL—EXTRAORDINARY ITEMS	64,30,70	86,18,73	84,05,54	—2,13,19	1,47,52,06	+63,46,52
DEFENCE SERVICES—						
79—Defence Services—Effective—Army	3,28,42,22	7,07,19,90	5,37,13,58	-12,35,19	5,66,04,00	+28,90,42
80.—Defence Services—Effective—Navy	20,41,50		22,62,69		23,10,00	+47,31
81.—Defence Services—Effective—Air Force	77,88,44		1,35,08,44		1,24,62,00	—10,46,44
82—Defence Services—Non-effective	18,36,68	18,90,50	18,90,50	..	21,90,50	+3,00,00
TOTAL—DEFENCE SERVICES	4,45,08,84	7,26,10,40	7,13,75,21	—12,35,19	7,35,66,50	+21,91,29
POSTS AND TELEGRAPHS—						
90—Posts & Telegraphs—						
Working Expenses	82,24,86	87,53,80	90,28,94	+2,75,14	1,14,89,23	+24,60,29
Dividend to General Revenues	5,67,12	6,82,37	7,31,49	+49,12	8,42,96	+1,11,47
Appropriations from P. & T. Surplus	9,95,39	13,14,83	16,39,57	+3,24,74	3,67,81	—12,71,76
TOTAL—POSTS AND TELEGRAPHS	97,87,37	1,07,51,00	1,14,00,00	+6,49,00	1,27,00,00	+13,00,00
RAILWAYS—						
Railway Expenditure as per Railway Budget	5,67,74,19	5,99,95,07	6,22,75,27	+22,80,20	6,68,15,71	+45,40,44
TOTAL—EXPENDITURE MET FROM REVENUE	21,57,30,22	25,77,45,60	25,83,29,32	+5,83,72	28,54,32,77	+2,71,03,45
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS	1,13,39,92	..	88,34,47		82,99,05	

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—*concld.*				
Excess of Revenue over Expenditure (from Statement B) . . .	1,13,39,92	..	88,34,47	82,99,05
Capital Accounts outside Revenue Account—LXX.—Sale Proceeds of American and Lease-Lend Surpluses	..	..	..	4,33,00
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—PERMANENT DEBT.—				
Market Loans . . .	3,28,93,89	3,93,00,00	4,41,70,00	2,95,00,00
6½ per cent Gold Bonds, 1977	3,39,11	1,00,00	5,21,64	..
Prize Bonds	4,22,80	6,00,00	5,00,00	5,00,00
Annuity Certificates . . .	48,21	50,00	40,00	45,00
TOTAL—PERMANENT DEBT .	3,37,04,01	4,00,50,00	4,52,31,64	3,00,45,00
II.—FLOATING DEBT—				
Treasury Bills	49,63,02,25	55,87,00,00	54,30,53,00	59,74,20,00
Other Items	3,45,00	3,45,00	3,45,00	3,45,00
TOTAL—FLOATING DEBT .	49,66,47,25	55,90,45,00	54,33,98,00	59,77,65,00
B.—*Debt raised outside India* .	3,39,56,50	4,62,43,00	5,02,55,41	6,96,97,06
TOTAL—PUBLIC DEBT . . .	56,43,07,76	64,53,38,00	63,88,85,05	69,75,07,06
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State and Union Territory Governments .	1,44,75,10	1,94,86,99	1,85,72,96	2,38,92,37
Other Loans and Advances .	26,11,97	53,62,36	42,55,94	46,02,87
TOTAL—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT. . .	1,70,87,07	2,48,49,35	2,28,28,90	2,84,95,24
INTER-STATE SETTLEMENT . .	1,75,91	..	..	..
TOTAL—I.—CONSOLIDATED FUND OF INDIA—RECEIPTS	59,29,10,66	67,01,87,35	67,05,48,42	73,47,34,35

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1962-63	Budget, Estimate, 1963-64	Revised Estimate, 1963-64	Budget, Estimate, 1964-65
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Excess of Expenditure over Revenue (from Statement A)	..	16,22,41	..	..
CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT—				
Security Printing Press	19,20	18,58	18,58	19,56
Improvement of Public Health	47,18	42,66	6,87	5,00
Agricultural Improvement and Research	3,88,59	2,94,54	1,98,52	2,81,71
Capital outlay on Consumer Co-operatives	..	..	4,03	1,00
Industrial Development	1,71,35,22	2,24,00,38	2,08,51,85	2,17,21,80
Broadcasting	1,27,27	1,75,00	1,49,74	1,44,72
Multi-purpose River Schemes	2,73,82	10,28,65	6,65,24	9,67,66
Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)	41,94	39,86	95,08	90,17
Electricity Schemes	40,63	74,33	11,70	14,60
Public Works	41,64,03	68,11,21	70,44,46	66,06,21
Delhi Capital Outlay	6,83,84	7,38,00	11,97,64	13,73,00
Dandakarnya Development Scheme	4,21,10	3,46,00	4,38,00	4,25,00
Capital outlay on Free Trade Zone Kandla	..	..	..	9,90
Capital Outlay on Other Works	3,74,23	5,92,67	3,49,24	3,45,66
Ports	2,04,06	5,95,60	4,45,32	2,48,47
Lighthouses and Lightships	—55	20,45	..	..
Aviation	2,92,53	3,65,95	3,66,04	4,94,74
Capital Outlay on Rail Road Co-ordination Schemes	5,01	3,00	..	..
Road and Water Transport Schemes	41,76	1,29,00	3,24	..
Overseas Communications Service	38,87	39,92	39,92	28,86
Capital Outlay on Shipping, Tankers, etc.	99,54	1,33,22	59,85	1,32,40
Currency and Coinage	8,61,94	11,54,44	13,06,82	8,60,52
Mints	3,81	18,52	18,52	33,09
Capital Outlay on Kolar Gold Mines	17,89	3,35,00	3,30,00	56,23
Forests	9,33	9,93	2,31	1,93
Payments of Commuted Value of Pensions	24,35	14,26	39,27	39,70
Capital Outlay on Sterling Pensions	—3,69,84	—3,73,56	—3,73,56	—6,34,37
Schemes of Government Trading	—22,19,18	49,69,28	30,07,48	31,03,50
Grants for Development	15,38,59	18,54,60	17,79,51	21,37,61
Compensation and Rehabilitation Grants to Displaced Persons	—4,28,29	—4,34,95	—8,08,31	—5,16,16
Transfer of Development Assistance from the Government of U.S.A.	82,44,42	61,55,32	67,83,28	1,74,78,40
Capital Outlay on Payments under Indus Waters Treaty	6,89,07	6,63,17	6,63,17	6,07,91
Defence Capital Outlay	48,61,23	1,58,72,00	1,15,63,00	1,36,10,00
Railway Capital (as shown in Railway Budget)	2,14,89,27	2,18,50,00	2,37,25,29	2,53,00,00
Posts and Telegraphs	20,95,71	28,00,00	30,24,44	20,59,00
TOTAL—CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT	6,12,16,57	8,87,37,03	8,30,06,54	9,70,47,82
Carried Over	6,12,16,57	9,30,59,44	8,30,06,54	9,70,47,82

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1962—63	Budget Estimate, 1963—64	Revised Estimate, 1963—64	Budget Estimate, 1964—65
I.—CONSOLIDATED FUND OF INDIA—*concld.*				
Brought Forward . . .	6,12,16,57	9,03,59,44	8,30,06,54	9,70,47,82
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—Permanent Debt—				
Market Loans	1,82,30,11	1,80,00,00	1,78,15,00	1,92,00,00
Annuity Certificates . . .	28,75	30,00	30,00	35,00
TOTAL—Permanent Debt . .	1,82,58,86	1,80,30,00	1,78,45,00	1,92,35,00
II.—FLOATING DEBT—				
Treasury Bills	48,38,45,75	54,06,00,00	53,88,53,00	58,78,20,00
Other Items	..	3,42,86	3,42,86	3,42,86
TOTAL—FLOATING DEBT .	48,38,45,75	54,09,42,86	53,91,95,86	58,81,62,86
B.—*Debt raised outside India* . .	46,29,70	51,26,67	61,49,03	67,25,63
TOTAL—PUBLIC DEBT . .	50,67,34,31	56,40,99,53	56,31,89,89	61,41,23,49
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State and Union Territory Governments .	5,11,09,35	5,29,14,10	6,18,74,80	6,11,08,68
Other Loans and Advances . .	1,28,63,65	1,67,84,21	1,56,99,56	2,16,73,77
TOTAL—LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT	6,39,73,00	6,96,98,31	7,75,74,36	8,27,82,45
INTER-STATE SETTLEMENT . .	12	90,41	90,41	21
TOTAL.—I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS	63,19,24,00	72,42,47,69	72,38,61,20	79,39,53,97

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

	Accounts 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
RECEIPTS				
—CONTINGENCY FUND OF INDIA—				
CONTINGENCY FUND OF INDIA—				
Appropriations from the Consolidated Fund or from any Reserve Fund.	4	..	66	..
TOTAL—II.—CONTINGENCY FUND OF INDIA—RECIPTS	4	..	66	..
DISBURSEMENTS				
I.—CONTINGENCY FUND OF INDIA—				
CONTINGENCY FUND OF INDIA—				
Expenditure out of advances from the Contingency Fund of India .	66	..	..	..
TOTAL—II.—CONTINGENCY FUND OF INDIA —DISBURSEMENTS	66	..	..	..

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposit of Service Funds	—2,67,93	2,04	2,02	1,95
Post Office Savings Bank Deposits	2,45,43,38	2,67,00,00	2,50,75,00	2,59,00,00
Compulsory Deposits (Net)	..	25,00,00	15,00,00	..
Income Tax Annuity Deposits	..	..	..	67,00,00
10-Year Treasury Savings Deposit Certificates	6,86,50	..	..	..
10-Year Defence Deposit Certificates	9,77,15	23,20,00	22,20,00	23,50,00
12-Year National Plan Savings Certificates	42,08,00	..	..	..
12-Year National Defence Certificates	53,61,38	90,00,00	1,04,00,00	1,09,00,00
Cumulative Time Deposits	5,62,04	9,30,00	9,50,00	14,00,00
Post Office Cash Certificates	—25	..	..	..
National Savings Certificates	—1,67	..	..	..
10-Year National Plan Certificates	..	..	..	..
State Provident Funds	79,85,81	80,30,37	83,32,65	89,19,95
Investment of Deposits of U.S. Government Counterpart Funds (Net)	48,07,00	90,00,00	65,42,00	..
Other Accounts	3,41,19	3,43,53	3,48,04	3,54,44
TOTAL—UNFUNDED DEBT	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34
DEPOSITS AND ADVANCES—				
Depreciation and other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Pension Fund	..	..	..	19,59,22
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	71,04,88	84,53,66	84,76,37	87,97,59
Railway Development Fund as per Railway Budget	42,76,23	31,50,23	39,10,51	32,40,40
P. & T. Renewals Reserve Fund	11,28,62	14,73,94	11,74,66	12,94,45
P. & T. Development Fund, P. & T. Revenue Reserve Fund and Telephone Development Fund	1,65,08	1,30,08	8,38,64	4,64,74
Other Reserve Funds	90,64	1,10,90	1,09,86	1,05,59
(*b*) *Non-Interest bearing*—				
Other Reserve Funds	54,94	66,70	69,51	74,19
Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	5,00,00
Carried Over	1,33,20,39	1,38,85,51	1,50,79,55	1,64,36,18
Carried Over	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts', 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—*contd.*				
Brought Forward . . .	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34
Brought Forward . . .	1,33,20,39	1,38,85,51	1,50,79,55	1,64,36,18
Other Deposits and Advances—				
(*a*) *Interest bearing*—				
Shipping Development Fund	5,72,72	5,38,84	5,35,44	16,96,06
Deposits of Income Tax, Super Tax, Excess Profits Tax and Surcharge	—17,00	20,00	14,70	15,15
Deposits of Trusts for Indian Princes	4,39	4,22	4,22	4,04
Other Deposits	5,02,19	3,74,62	4,22,00	1,83,52
(*b*) *Non-Interest bearing*—				
Hotel Development Fund . .	..	..	..	50,00
Central Road Fund . . .	4,18,14	4,10,00	4,10,00	4,10,00
Fund for the Benefit of Cotton-growers	87	35,00	5,00	35,00
Marketing Development Fund .	..	..	50,00	3,00,00
Civil Aviation Fund . . .	..	..	..	1,00,00
Carried Over . . .	1,48,01,70	1,52,68,19	1,65,50,91	1,92,29,95
Carried Over	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—*contd.*				
Brought Forward . . .	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34
Brought Forward . . .	1,48,01,70	1,52,68,19	1,65,50,91	1,92,29,95
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat . .	8,57,07	11,48,15	11,97,14	9,89,92
Fund from the sale proceeds of Wheat received under the Colombo Plan	1,80,66	1,33,13	2,40,82	1,69,86
Fund from other Assistance under the Colombo Plan . . .	4,74,56	6,05,30	6,94,36	6,58,17
Fund from Assistance under the Indo-U.S. Technical Cooperation Agreement	7,04,09	3,50,96	1,74,67	1,71,96
Fund from the sale proceeds of American Loan Commodities .	—2,14,15	1,57,73	2,85,18	1,80,74
Fund from Assistance from Norway for Fisheries Community Development	18,48	20,00	20,00	22,00
Assistance under P.L. 480 . .	1,35,82,60	1,05,00,00	1,29,00,00	3,13,00,00
Coal Mines Labour Housing and General Welfare Fund . .	3,04,18	2,75,00	3,28,54	3,30,00
Iron-Ore Mines Labour Welfare Fund	..	25,00	8,00	25,00
Mica Mines Labour Welfare Fund .	20,12	25,00	26,00	27,00
Iron and Steel Equalisation Fund .	34,26,06	18,30,00	16,00,00	7,00,00
Post Office Certificates and Cumulative Time Deposits Bonus Fund	13,88,09	13,33,62	13,41,06	15,92,82
Deposits of Local Funds . .	11,74,44	10,96,66	6,78,89	4,83,56
Civil Deposits	2,98,72,42	2,37,35,06	3,02,48,83	2,79,08,16
Other Deposits	78,49,33	80,04,57	74,46,42	74,64,58
Carried Over	7,44,39,65	6,45,08,37	7,37,40,82	9,12,53,72
Carried Over	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—*contd.*				
Brought Forward . . .	4,92,02,60	5,88,25,94	5,53,69,71	5,65,26,34
Brought Forward . . .	7,44,39,65	6,45,08,37	7,37,40,82	9,12,53,72
Deposits of Income Tax, Super Tax, Excess Profit Tax including Interest and Surcharge . . .	4,78,19	62	..	..
Deposit Account of the assistance given by the Ford Foundation .	42,68	12,39	59,76	25,00
National Defence Fund	50,29,62	20,00,00	9,14,00	14,22
Other Accounts	1,56,86	1,19,58	36,52,61	56,52,86
Emergency Risks (Goods and Factories) Insurance Funds . . .	9,00,00	33,00,00	16,81,89	3,00,00
Accounts with the Government of Burma	..	7	..	57,86
Accounts with the Reserve Bank .	16,90	2,15,92	2,01,57	2,00,36
Other Advances	1,66,45,13	2,23,28,99	2,14,09,02	2,07,41,54
Value of One-rupee Notes issued .	5,00,00	5,00,00	5,00,00	..
Cash Balance Investment Account (net)	..	..	37,31,71	55,86
Discount Sinking Fund . . .	1,99,96	1,89,44	1,87,79	1,72,23
Other Suspense Accounts (net) .	..	65,97,68	67,38,25	71,63,94
Cheques and Bills (net) . . .	1,64,49	..	9,40,52	..
Departmental and Similar Accounts (net)	1,50,86	53,66	..	14,69,08
Miscellaneous	46,97,21	1,23	1,33,06	23
TOTAL—DEPOSITS AND ADVANCES .	10,34,21,55	9,98,27,95	11,38,91,00	12,71,06,90
Carried Ovec	15,26,24,15	15,86,53,89	16,92,60,71	18,36,33,24

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(Inthousands of Rupees)

RECEIPTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—*contd.*				
Brought Forward . . .	15,26,24,15	15,86,53,89	16,92,60,71	18,36,33,24
REMITTANCES—				
I.—REMITTANCE WITHIN INDIA—				
Inland Money Orders . . .	3,70,46,03	3,65,00,00	3,90,00,00	4,20,00,00
Other Remittances . . .	..	—60,79	74,55	78,91
Accounts between Civil and Other Departments—				
Exchange Accounts between Civil and Defence Services .	3,93,97	..	..	..
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Accounts between England and India . . .	3,19,90,59	1,26,43,26	2,47,99,44	2,14,81,15
TOTAL—REMITTANCES . .	6,94,30,59	4,90,82,47	6,38,73,99	6,35,60,06
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,64,72,52	80,08,62	9,25,00	1,17,90,99
RESERVE BANK DEPOSITS—				
Railways	—1,77,12,10	—1,71,32,86	—1,89,92,31	—2,16,07,58
Posts and Telegraphs . . .	41,10,93	68,98,81	66,15,21	82,42,85
Defence Services	—4,51,05,07	—8,56,62,43	—7,95,03,47	—8,37,61,52
TOTAL III.—PUBLIC ACCOUNT—				
RECEIPTS	17,98,21,02	11,98,48,50	14,91,79,21	16,18,58,04
TOTAL—(I+II+III) . . .	77,27,31,72	79,00,35,85	81,97,28,29	89,65,92,39
OPENING BALANCE . . .	49,39,87	50,62,05	67,82,93	50,21,10
GRAND TOTAL	77,76,71,59	79,50,97,90	82,65,11,22	90,16,13,49

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
II.—PUBLIC ACCOUNT—*contd.*				
UNFUNDED DEBT—				
Deposit of Service Funds	4,10	3,38	3,48	3,38
Post Office Savings Bank Deposits	40,77,08	2,34,00,00	2,17,75,00	2,25,50,00
10-Year Treasury Savings Deposits Certificates	6,63,65	7,58,00	5,40,00	5,15,00
10-Year Defence Deposit Certificates	..	20,00	20,00	1,02,00
12-Year National Plan Savings Certificates	22,48,57	21,80,00	25,20,00	23,50,00
12-Year National Defence Certificates	2,59	5,00,00	3,60,00	7,00,00
Cumulative Time Deposits	26,15	30,00	50,00	2,00,00
Post Office Cash Certificates	18,50	24,00	15,00	15,00
Defence Savings Certificates	72	1,00	2,00	1,00
National Savings Certificates	18,07,15	14,66,00	17,73,00	15,07,00
10-Year National Plan Certificates	1,00,21	91,00	1,00,00	1,20,00
State Provident Funds	36,53,51	34,73,71	34,32,41	34,90,73
Special Loans	4,41	2,55	3,82	13,82
Other Accounts	8,12,73	2,04,63	2,10,39	2,13,05
Investment of Deposits of U. S. Government counterpart Funds (Net)	..	..	..	84,84,00
TOTAL—UNFUNDED DEBT	3,28,19,55	3,21,54,27	3,08,05,10	4,02,54,98
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(a) *Interest bearing*—				
Railway Pension Fund	..	..	..	4,00,00
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	75,36,89	68,00,00	70,50,00	71,00,00
Railway Development Fund as per Railway Budget	23,16,60	26,00,00	29,75,00	33,00,00
P. & T. Renewals Reserve Fund	65,54	1,50,00	1,22,30	5,90,00
P. & T. Development Fund, P. & T. Revenue Reserve Fund and Telephone Development Fund	29,53	50,00	50,00	54,00
Other Reserve Fund	1,13,57	1,09,19	1,10,88	1,00,97
(b) *Non-Interest bearing*—				
Other Reserve Funds	29,95	38,52	38,49	45,63
OTHER DEPOSITS AND ADVANCES—				
(a) *Interest bearing*—	6,12,10	7,21,88	9,15,71	15,96,24
Shipping Development Fund, Deposits of Income Tax, Super Tax, Excess Profits Tax and Surcharge	8,41,23	24, 14	40,99	16,11
Other Deposits	2,94,98	2,09,69	2,61,63	3,32,54
Carried Over	1,18,40,39	1,07,03,42	15,65,00	1,35,35,49
Carried Over	3,28,19,55	3,21,54,27	3,08,05,10	4,02,54,98

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—*contd.*				
Brought Forward . . .	3,28,19,55	3,21,54,27	3,08,05,10	4,02,54,98
Brought Forward . . .	1,18,40,39	1,07,03,42	1,15,65,00	1,35,35,49
Deposits under Section 10 (2B) of the Indian Income Tax Act. . .	..	6	..	..
Deposits of Trusts for Indian Princes .	22,11	22,11	22,11	22,11
(*b*) *Non-Interest bearing*—				
Central Road Fund . . .	3,18,76	2,00,00	4,37,77	4,84,97
Fund for the Benefit of Cotton growers	12,53	60,00	55,00	79,00
Cotton Textiles Fund . . .	13,63	14,93	23,84	17,64
Fund for the Protection of Sugar Industry	10,42	1,62	1,62	79
Marketing Development Fund .	..	..	50,00	3,00,00
Civil Avaition Fund . .	..	..	..	..
Fund for the Relief of Linseed Cultivators	42	..	..	..
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat . .	12,24,6 5	11,48,15	18,21,16	9,89,92
Fund from the sale proceeds of Wheat received under the Colombo Plan . . .	1	..	..	..
Fund from Assistance under the Indo-U. S. Technical Co-operation Agreement . . .	47,58	67,85	6,35,06	2,52,91
Fund from the sale proceeds of American loan commodities .	26,16,92	4,50,88	59,23	70,81
Fund from Assistance from Norway for Fisheries Community Development . . .	15,45,99	..	2,80,48	1,75,16
Assistance under P.L.-480 . .	18,48	20,00	20,00	22,00
Coal Mines Labour Housing and General Welfare Fund .	23,80,20	7,70,33	23,19,89	22,17,60
Iron-Ore Mines Labour Welfare Fund	2,68,99	2,34,27	2,98,15	4,00,16
Mica Mines Labour Welfare Fund	..	7,00	50	7,00
Iron and Steel Equalisation Fund	27,75	31,13	35,06	42,38
Post Office Certificates and Cumulative Time Deposits Bonus Fund	23,11,30	12,65,64	4,69,82	12,24,82
Deposits of Local Funds .	1,30,09	1,65,65	2,46,96	2,21,14
Civil Deposits . . .	11,51,51	11,28,39	7,87,95	4,60,35
Other Deposits . . .	2,62,90,99	2,33,02,72	2,94,48,83	2,74,08,16
Deposits of Income Tax, Super Tax, Excess Profits Tax including Interest and Surcharge .	79,90,67	76,40,09	75,44,85	72,38,27
	12,95	15,16	9,36	3,05
Carried Over . . .	5,82,35,84	4,72,49,60	5,71,32,64	5,51,73,73
Carried Over . . .	3,28,19,55	3,21,54,27	3,08,05,10	4,02,54,98

C—STATEMENT OF THE RECEIPTS AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT—*contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1962-63	Budget Estimate 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
III.—PUBLIC ACCOUNT—*concld.*				
Brought Forward . . .	3,28,19,55	3,21,54,27	3,08,05,10	4,02,54,98
Brought Forward . . .	5,82,35,84	4,72,49,60	5,71,32,64	5,51,73,93
Deposit Account of the assistance given by the Ford Foundation . .	1,03,29	36,41	36,32	34,13
National Defence Fund . . .	8,89,29	25,00	5,11,25	..
Other Accounts	58,82	1,16,73	6,43,64	56,39,38
Emergency Risks (Goods and Factories) Insurance Funds . . .	..	6,00	28,00	22,00
Accounts with the Government of Burma	2,47	37	—3,25	37
Accounts with the Reserve Bank .	1,00	2,18,25	1,91,43	2,00,25
Other Advances	1,56,24,31	2,20,66,99	1,94,89,24	1,06,75,39
Cash Balance Investment Account (net)	7,62	13,92,52	..	..
Profits on Coinage	..	15,00,00	..	..
Discount Sinking Fund . . .	1,39,69	..	1,00,92	..
Value of One Rupee Notes issued .	22,28	..	..	..
Other Suspense Accounts (net) . .	14,01,24	..	..	..
Cheques and Bills (net) . . .	...	8,11,71	..	74,70
Departmental and Similar Accounts (net)	..	..	52,86,98	..
Miscellaneous	4,20,12	3,05	35,29	2,80
TOTAL—DEPOSITS AND ADVANCES .	7,70,05,97	7,34,26,63	8,74,52,46	8,26,22,75
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders . .	3,68,32,25	3,55,00,00	3,85,00,00	4,20,00,00
Other Remittances . . .	10,78,16	2,00	27,41	16,82,73
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Defence Services .	4,38,39	..	..	..
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India . . .	2,34,48,37	1,26,43,26	2,47,99,44	2,14,81,15
TOTAL—REMITTANCES . .	7,17,97,17	4,81,45,26	6,33,26,85	6,51,63,88
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA				
Remittance through the Reserve Bank	1,60,14,18	80,08,62	79,25,08	1,17,90,99
RESERVE BANK DEPOSITS—				
RAILWAYS	—1,77,12,10	—1,71,32,86	—1,89,92,31	—2,16,07,58
POSTS AND TELEGRAPHS . .	41,10,93	68,98,81	66,15,21	82,42,85
DEFENCE SERVICES . . .	—4,50,71,70	—8,56,62,43	—7,95,03,47	—8,37,61,52
TOTAL III—PUBLIC ACCOUNTS—DISBURSEMENTS	13,89,64,00	6,58,38,30	9,76,28,92	10,27,06,35
TOTAL—(I+II+III) . . .	77,08,88,66	79,00,85,99	82,14,90,12	89,66,60,32
Closing Balance. . . .	67,82,93	50,11,91	50,21,10	49,53,17
GRAND TOTAL	77,76,71,59	79,50,97,90	82,65,11,22	90,16,13,49

GOVERNMENT OF INDIA

BUDGET

OF THE

Railway Revenue and Expenditure of the Central Government for 1964-65

(AS FINALLY ADOPTED)

MINISTRY OF RAILWAYS,
Dated, the 9th October, 1964

S. JAGANNATHAN,
Financial Commissioner for Railways.

1.—Statement of the Revenue of the Central Government from Railways.

(In thousands of rupees)

HEADS OF REVENUE	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase(+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65
M—RAILWAYS—REVENUE	Rs.	Rs.	Rs.	Rs.	Rs.
LXIV-A & LXV-A—Indian Railways—					
Revenue Receipts—					
Passenger Earnings—					
Upper	20,36,07	20,04,00	21,55,00	+1,51,00	22,01,00
Third	148,82,47	152,46,00	158,48,00	+6,02,00	161,99,00
Other Coaching Earnings	32,53,63	34,80,00	34,80,00	..	35,00,00
Goods Earnings . .	349,52,34	379,00,00	391,66,00	+12,66,00	432,00,00
Sundry Other Earnings .	16,68,16	14,50,00	16,88,00	+2,38,00	18,00,00
TOTAL EARNINGS . .	567,92,67	600,80,00	623,37,00	+22,57,00	669,00,00
Suspense . . .	—1,13,68	—1,11,00	—1,15,00	—4,00	—1,00,00
†Gross Receipts of Indian Railways . . .	566,78,99	599,69,00	622,22,00	+22,53,00	668,00,00
LXIV-B—Other Miscellaneous Receipts—					
Miscellaneous receipts .	93,00	23,71	49,82	+26,11	13,10
LXVI—Subsidised Companies—					
Government share of surplus profits, etc. . . .	2,20	2,36	3,45	+1,09	2,61
LXVII—Transfer from Railway Revenue Reserve Fund .	..	..	..	..	..
TOTAL RECEIPTS .	567,74,19	599,95,07	622,75,27	+22,80,20	668,15,71
‡Includes earnings of worked lines	53,47	51,58	54,43	+2,85	52,77

2.—Statement of the Expenditure on Railways met from the Revenues of the Central Government

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase(+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65
	Rs.	Rs.	Rs.	Rs.	Rs.
M—RAILWAYS—EXPENDITURE					
*83-A & 84-A—Working Expenses . . .	429,37,56	459,03,93	473,33,85	+14,29,92	516,67,83
83-C—Payments to Worked Lines—					
(*i*) Net earnings . .	13,86	13,68	14,18	+50	14,14
(*ii*) Rebate, etc. . .	55	59	9	—50	16
83-B & 84-B—Other Miscellaneous Expenditure .	3,80,44	3,98,85	3,82,63	—16,22	4,04,48
85.—Payments to General Revenues.—					
(*a*) Dividend to General Revenues . .	68,76,01	80,60,86	82,52,65	+1,91,79	90,73,45
(*b*) Payment to General Revenues in lieu of tax on Railway passenger fares . .	12,50,00	12,50,00	12,50,00	..	12,50,00
86.—Appropriations from Railway Surplus—					
(*i*) Appropriation to Railway Revenue Reserve Fund.	..	..	..	..	..
(*ii*) Appropriation to Railway Development Fund .	42,06,50	31,00,42	37,75,42	+6,75,00	30,86,42
(*iii*) Appropriation to Railway Depreciation Reserve Fund . . .	..	..	..		..
87.—Sbsidised Companies— Land	..	..	..		..
Subsidy . . .	13,91	16,74	16,74	..	19,23
88.—Open Line Works— Revenue . . .	10,95,36	12,50,00	12,49,71	—29	13,00,00
TOTAL EXPENDITURE . .	567,74,19	599,95,07	622,75,27	+22,80,20	668,15,71
*Includes :—					
(i) Apropriation from Revenue to Depreciation Reserve Fund . .	67,00,00	80,00,00	80,00,00	..	83,00,00
(ii) Appropriation from Revenue to Railway Pension Fund	..	..	..	..	19,00,00

3.—Distribution of Railway Surplus 1963-64 and 1964-65

(In thousands of rupees)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
	Rs.	Rs.	Rs.	Rs.
Surplus	42,06,50	31,00,42	37,75,42	30,86,42
Railway Development Fund . .	42,06,50	31,00,42	37,75,42	30,86,42
Railway Revenue Reserve Fund .	..	..	..	..
Railway Depreciation Reserve Fund .	..	..	..	..

4.—Statement of the Capital Expenditure of the Central Government on Railways

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Increase(+) Decrease(—) as compared with Budget, 1963-64	Budget Estimate, 1964-65
MM—Capital—	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not met from Revenue—					
131 & 132.—Construction of Railways—					
Open Line Works—					
Rolling Stock . .	88,24,92	93,05,09	88,49,61	—4,55,48	109,95,85
Other Works . . .	53,12,56	70,19,86	70,47,11	+27,25	80, 2,00
New Construction . .	47,88,45	68,94,83	65,43,99	—3,50,84	84,38,54
Suspense . . .	24,62,30	6,18,67	12,16,83	+5,98,16	6,09,60
Miscellaneous . .	1,01,04	2,47,82	67,75	—1,80,07	2,87,88
Probable Savings . .	..	—22,36,27	..	+22,36,27	—30,33,87
TOTAL . . .	214,89,27	218,50,00	237,25,29	+18,75,29	253,00,00

A—RAILWAY DEPRECIATION RESERVE FUND

(In thousands of rupees)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65		Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance . .	29,18,93*	28,33,05	22,84,07	34,94,97	Appropriation from Depreciation Reserve Fund	75,36,88	68,00,00	70,50,00	71,00,00
Appropriation to Depreciation Reserve Fund . .	(a) 68,08,71	(b) 81,05,59	(c) 81,54,80	(d) 84,11,35					
Interest on Depreciation Reserve Fund. . .	93,31	1,31,42	1,06,10	1,58,55	Closing Balance .	22,84,07	42,70,06	34,94,97	49,64,87
TOTAL . .	98,20,95	110,70,06	105,44,97	120,64,87	TOTAL . . .	98,20,95	110,70,06	105,44,97	120,64,87

*Includes 783·93 lakhs (provisional) on account of Indian States Railways taken over from 1-4-1950.

(a) Includes 1,08,71 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works (78,93) and Integral Coach Factory (29,78)
(b) ,, 1,05,59 ,, ,, ,, ,, ,, ,, ,, ,, (72,60) ,, ,, ,, ,, (32,99)
(c) ,, 1,54,80 ,, ,, ,, ,, ,, ,, ,, ,, (71,37 ,, ,, ,, ,, (83,43)
(d) ,, 1,11,35 ,, ,, ,, ,, ,, ,, ,, ,, (74,78) ,, ,, ,, ,, (36,57)

B—RAILWAY REVENUE RESERVE FUND

(In thousands of rupees)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65		Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance . .	(a) 55,36,73*	(b) 57,40,20	(b) 57,39,20	(b) 59,54,67	Appropriation from Railway Revenue Reserve Fund . .	..	..	..	..
Appropriation to Railway Revenue Reserve Fund from Surplus etc. . .	..	..	..	..					
Interest on Railway Revenue Reserve Fund. . .	(c) 2,02,47	(d) 2,16,65	(d) 2,15,47	(d) 2,27,69	Closing Balance . .	(b) 57,39,20	(b) 59,56,85	(b) 59,54,67	(b) 61,82,36
TOTAL . . .	57,39,20	59,56,85	59,54,67	61,82,36	TOTAL . . .	57,39,20	59,56,85	59,54,67	61,82,36

*Includes 233·99 lakhs (provisional) on account of Indian States Railways taken over from 1-4-1950.

(a) Includes 36·98 lakhs on account of investment in shares of and loans to Branch Line Companies.
(b) ,, 36·59 ,, ,, ,, ,, ,,
(c) ,, 1·15 lakhs on account of interest and dividends, etc. on investments.
(d) ,, 1·59 ,, ,, ,, ,,

C—RAILWAY DEVELOPMENT FUND

(In thousands of rupees)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65		Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance . .	†10,08,74	10,70,92	‡32,02,17	41,37,68	Appropriation From Development Fund .	23,16,60	26,00,00	29,75,00	33,00,00
Appropriation to Development Fund from Surplus	42,06,50	31,00,42	37,75,42	30,86,42					
Interest on Development Fund	69,73	49,81	1,35,09	1,53,98	Closing Balance . .	29,68,37	16,21,15	41,37,68	40,78,08
TOTAL . . .	52,84,97	42,21,15	71,12,68	73,78,08	TOTAL . .	52,84,97	42,21,15	71,12,68	73,78,08

†Includes 10·93 lakhs due to the transfer of the cost of new line, "Bobbili-Salur" to Capital as it has been assessed to be remunerative and excludes 48·10 lakhs due to transfer from capital of the erroneous adjustments made in 1961-62 the cost of "Bhagalpur-Mandar Hill" and "Adipur-Bhuj" 2·63 lakhs due to write back from Capital of the cost of the works—providing crossing station at Kargad and Doubling of Godhra-Ratlam—on Western Railway and 0·79 lakh due to adjustments in respect of quarters for Class III and IV staff forming part of a Scheme.

‡Includes 233·80 lakhs due to transfer to Capital of certain works, which, on the basis of post-budget assessment of financial prospects, indicate the prescribed net return on outlay justifying their charge to capital.

D—RAILWAY PENSION FUND

(In thousands of rupees)

	Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65		Accounts, 1962-63	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
Opening Balance . .	..	..	..	..	Appropriation from Pension Fund .	..	..	..	4,00,00
Appropriation to Pension Fund	..	..	..	19,30,00					
Interest on Pension Fund .	..	..	..	29,22	Closing Balance .	..	..	..	15,59,22
TOTAL . .	..	..	..	19,59,22	TOTAL .	..	..	..	19,59,22

The Railway Pension Fund has been created in consultation with the Comptroller and Auditor General of India and the Ministry of Finance, with effect from 1-4-1964, with an initial contribution of Rs. 19 crores from Revenue and Rs. 30 lakhs from the Workshop Manufacture Suspense Account of Chittaranjan Locomotive Works, Integral Coach Factory and Diesel Locomotive Works in respect of staff of these factories. The withdrawal from the Fund represents the payment of pensionary charges to Railway employees who have retired on the Pension Scheme.

EXPLANATORY MEMORANDUM
on the
Budget of the Central Government
for
1964-65

FINAL EDITION

PREFACE

The Explanatory Memorandum consists of three sections. The first section has been added this year to indicate broadly the overall budgetary position in both the years giving also the main variations. The second section deals with the estimates of Revenue and Expenditure met from Revenue. The third section covers the Capital transactions, including those relating to loans, advances, debt deposit and other heads.

2. The Demands for Grants of individual Ministries are presented in separate volumes. The form and contents of the Demands were revised with effect from the current year after consultation with the Estimates Committee, as explained in Part II of the Introductory Note to this Memorandum on the Budget for 1963-64. The Demands are supported by two schedules, one showing the details of the provision for expenditure on Plan schemes and the other, the details of the staff for which provision is made. Statements showing important non-Plan items of expenditure costing Rs. 5 lakhs and above, notes on variations in individual Demands and on important schemes are added to the volumes of Demands, as usual. The balance-sheets and profit & loss accounts of public undertakings hitherto included in these Volumes have however been excluded with the approval of the Estimates and Public Accounts Committees, partly for reasons of economy and partly because a Consolidated Annual Report of the working of the industrial and commercial undertakings is presented separately to Parliament. The Hindi version of the Demands for Grants, together with the Schedules, notes on variations and on important schemes etc. have been brought out in separate consolidated volumes.

3. The Economic Survey which was presented this year on the 21st February 1964 in advance of the Budget, gives the data and statistics of economic interest.

4. This Memorandum includes a summary of Revenue and Expenditure as also of Capital transactions which are derived from the Annual Financial Statement, which in turn is based on the classification adopted in the Accounts. Notes on estimates under individual heads have as usual been given in explanation of the variations. The Annexures at the end give the progress of revenue and expenditure, comparison of gross tax revenue and cost of collection and an analysis of expenditure on Administrative Services, Social and Developmental Services etc. Other Annexures show the resources transferred from the Centre to the States, the distribution by Demands for Grants and Appropriation of the expenditure shown by the heads of account in the Budget statement, distribution of the Civil and Posts and Telegraphs expenditure estimates for 1964-65 under broad categories, the nature and purpose of the Special Development Fund and other foreign aid received by India, the loans from friendly foreign countries and from other institutions, details of investments in industrial and commercial undertakings and returns therefrom, the progressive figures of net receipts from public borrowings in India, the net receipts realised under Unfunded Debt, guarantees given by the Central Government and outstanding at the end of 1963, a consolidated statement of contributions to International bodies, a table of income-tax payable as percentage of total income and a Summary of the Ways and Means.

5. In this Memorandum the expressions "current year" and "next year" indicate the financial years 1963-64 and 1964-65 respectively. Unless otherwise stated all amounts are in lakhs of rupees. Sterling transactions in the current year have been converted at the rate of 1*sh.* 53 1/32 *d.* on the basis of the actual rates prevailing upto January 1964. In accordance with the usual practice similar transactions included in the Budget for 1964-65 have been converted into rupees at the standard rate of 1 *sh.* 6 *d.* to the rupee. Conversion of non-sterling transactions both in the current and the next year has been made at I.M.F. parity rates. The difference between this rate and that actually prevailing from time to time has been provided under "71/LII-Miscellaneous—Loss or gain by exchange", as the case may be.

6. The accounts for the year 1962-63 have not been finally closed. The actuals for that year shown in the Explanatory Memorandum and elsewhere are, therefore, provisional and subject to readjustment.

INTRODUCTORY NOTE

The "annual financial statement" laid before both Houses of Parliament, in accordance with the provisions of the Constitution, is the budget of the Central Government. This statement covers all the transactions of the Central Government during the current and the ensuing year. The budget of the Indian Railways is separately presented to Parliament and dealt with by it, but as the receipts and expenditure of the Railways are, nevertheless, the receipts and expenditure of the Government of India, the figures relating to these are also included in lump in the general budget.

2. The annual financial statement is prepared by major heads of account, prescribed in consultation with the Comptroller and Auditor General. These heads fall either under the Consolidated Fund of India or in the Public Account of the Government. In addition, the Government of India also maintain a Contingency Fund, set up under Art. 267(1) of the Constitution, with a balance of Rs. 15 crores, for making advances for urgent unforeseen expenditure, which are recouped to the Fund by debit to the Consolidated Fund of India, after obtaining Parliamentary sanction for such expenditure. The receipts and expenditure of Government fall under one or other of the major heads either in the Consolidated Fund or the Public Account in accordance with the prescribed rules of classification.

3. All revenues received by the Government of India, all loans raised by the Government by the issue of Treasury Bills, loans or ways and means advances and all monies received by Government in repayment of loans are credited to the Consolidated Fund and monies can be appropriated from that Fund only in accordance with law and for the purposes and in the manner provided in the Constitution. All other public monies received by or on behalf of the Government of India are credited to the Public Account. Government expenditure, including expenditure on loans and advances by Government, the repayment of loans, treasury bills and ways and means advances is met out of the Consolidated Fund. The estimates of expenditure have to show separately the sums required to meet expenditure which the Constitution has "charged" upon the Consolidated Fund and the sums required to meet other expenditure. The estimates have also to distinguish expenditure on revenue account from other expenditure. The latter covers expenditure on capital outlay, loans given by Government and expenditure on the repayment of loans, treasury bills and ways and means advances.

4. The estimates of expenditure to be met from the Consolidated Fund are presented to the Lok Sabha in the form of Demands for Grants, except to the extent to which such expenditure is "charged" on the Consolidated Fund and, in consequence, does not require a vote of the Lok Sabha. These demands generally cover the requirements of each individual administrative service. For example, a Ministry has a demand for its own expenditure and one for the expenditure of each one of the various departments under its administrative control. Except in special circumstances, a demand does not cover more than one department or more than one head of account. The main exception to this is that all expenditure controlled by the Head of each Union Territory without legislature is brought together in a single Demand. Each Ministry has also generally a Demand for its Miscellaneous expenditure which may cover more than one head of account. The loan requirements, whether for payment to States or others, of all the Ministries and Union Territories without legislature are included in a composite Demand, presented on behalf of Ministry of Finance. Likewise, the provision for payment of grants-in-aid to States and Union Territories with legislature, by all Ministries, is

included in a composite Demand. Distinct Demands are presented for expenditure met from Revenue and for Capital expenditure. The "charged" expenditure under any head for which there is a voted demand, is included in that demand, but is shown separately and is, as explained earlier, not presented for vote. Where expenditure is wholly charged, a separate appropriation is included for it in the Book of Demands.

5. Within each demand the estimates are arranged by suitable sub-heads, which indicate the categories and nature of expenditure included in the demand. So long as the total demand is not exceeded, Government (and authorities subordinate to them to whom powers may be delegated) can meet excesses under one sub-head from savings in another except that excess in "charged" expenditure cannot be met by savings under "voted" heads and *vice versa.*

6. One qualification must be remembered in considering the demands for grants. Although they are generally by major heads, the total of all the demands relating to a major head and the "charged" expenditure provided under that head may not agree with the total shown in the annual financial statement. This is because certain recoveries are taken in the accounts in reduction of expenditure while in the demands, which when passed, provide the authority for incurring the particular item of expenditure, these recoveries are not taken into account. The recoveries mostly relate to inter-departmental adjustments or recoveries from other Governments, *ad hoc* funds, etc. Thus if the Union Excise Department does some work for Customs, the gross expenditure will appear in the demand under Union Excise while the accounts will show only the net expenditure (*i.e.* gross expenditure less recovery from Customs) under the major head 'Union Excise Duties'.

7. After the demands have been voted by the Lok Sabha, the monies required to meet the grants so voted and the expenditure "charged" on the Consolidated Fund and included in the annual financial statement presented to Parliament are withdrawn from the Consolidated Fund under the authority of an Appropriation Act passed by Parliament.

8. For payments out of the Public Account, no demand is required to be presented to Parliament and the requirements are met from time to time as they arise. These payments are largely of the nature of banking transactions. State Provident Funds, Depreciation and other Reserve Funds of Government departments, Post Office Savings Bank, Post Office Cash and other Savings Certificates, Postal Life Insurance Fund, *ad hoc* funds created by Government by appropriation from revenue or otherwise, miscellaneous deposits and remittances are included in the Public Account. It is broadly correct to say that none of the monies lying in the Public Account belong to Government. They have to be paid back sometime or the other to the public as in the case of State Provident Funds, Postal Savings Bank, Postal Cash Certificates, Postal Life Insurance funds, etc., or to be utilised by Government in an agreed manner as in the case of *ad hoc* funds set up for special purposes. It may be mentioned, to complete the picture, that the approval of Parliament is necessary to any appropriation from revenue to create a fund and, unless the monies thus funded are made over to corporate bodies with separate legal status of their own, similar approval is required for incurring subsequent expenditure from such funds. When an amount is transferred to any such fund, it is shown as expenditure in the estimates of the year in which the transfer is made. Expenditure met from these funds is similarly shown in the estimates of the year in which it is incurred but an equivalent amount is transferred from the fund to meet this expenditure. Parliamentary control is thus secured on both the creation of such funds and the utilisation of the monies held in them.

SECTION I

EXPLANATORY NOTE ON THE BUDGETARY POSITION

SECTION I

EXPLANATORY NOTE ON THE BUDGETARY POSITION

This Section has been added to give a brief summary of the budgetary position for the years 1963-64 and 1964-65 with explanations for the major variations.

FINANCIAL YEAR, 1963-64

The budget of the current year, after taking into account the effect of the budget proposals, had estimated a revenue deficit of Rs. 16.22 crores. On latest assessment, the revenue deficit is likely to be converted into a surplus of Rs. 88.34 crores. The improvement of Rs. 104.56 crores is the resultant effect of an increase of Rs. 77.50 crores in revenue receipts and a saving of Rs. 27.06 crores in expenditure met from revenue.

REVENUE RECEIPTS, 1963-64

The total revenue for the year is now estimated at Rs. 1913·68 crores as compared to the budgeted estimate of Rs. 1836·18 crores. The increase of Rs. 77·50 crores is spread over a large number of heads, notably the four principal heads of revenue. Customs revenue is now likely to go up to Rs. 320 crores, showing an increase of Rs. 18·80 crores over the budget. The improvement is mostly due to larger imports of high speed diesel oil, vaporising and other oils, machinery and iron and steel. Collections of Union Excise Duties are now anticipated at Rs. 703·47 crores, indicating an improvement of Rs. 15·96 crores. Since, however, the original estimate of Rs. 687·51 crores is exclusive of the States' share of Rs. 8·83 crores arising out of current year's tax proposals, the net improvement in Union Excise Duties is Rs. 7·13 crores only. This is the result of increases and shortfalls over a large number of individual items. The major increases have occurred under iron and steel products, kerosene, refined diesel oil, paper, tyres and tubes, but the revenue from motor spirit, sugar, tobacco and industrial fuel oils will show a shortfall. The drop in steel ingots is accompanied by an increase under iron and steel products as the duty is now paid generally at the finished and not at the intermediate stage. Corporation and Income Taxes together are likely to exceed the original expectation by Rs. 70 crores due mainly to better collections of advance tax, incentives for prompt payment and completion of a larger number of assessments. The rest of the heads show a net drop of Rs. 27·26 crores, which is the net effect of a large number of variations. Interest recoveries would show an improvement of Rs. 3·41 crores, while 'Contributions and Miscellaneous Adjustments' will show an improvement of Rs. 1·45 crores due mainly to the additional return from public sector enterprises. The self-balancing item of grants from U.S.A. under P.L. 480 Aid Programme, which are transferred to the Special Development Fund by provision in the expenditure estimates, accounts for an improvement of Rs. 19 crores. But this will be more than counter-balanced by a shortfall of Rs. 21·3 crores in respect of premiums relating to Emergency Risks Insurance Schemes and of Rs. 2·3 crores under iron and steel surcharge, which are also likewise transferred to the respective Funds. The transfer of Rs. 14·93 crores from the National Defence Fund as 'Extraordinary Receipts' to finance defence equipment accounts for an improvement of Rs. 14:93 crores. The payment to the States of their share of income-tax will, however, exceed the original estimates by Rs. 21.34 crores due mainly to the arrears payable for the

previous years. Of the other shortfalls, mention may be made of Rs. 16·31 crores under Currency and Mint due largely to the absence of the provision for the transfer of Rs. 15 crores from accumulated profits on coinage outstanding under suspense, which are treated as a deficit neutralisation reserve and which, in view of the emerging revenue surplus, would not now be required. The transfer of revenues relating to Pondicherry, Goa, Daman and Diu, following the setting up of the new Union Territory Governments, to their respective Consolidated Funds accounts mainly for a drop of Rs. 7·45 crores under Miscellaneous Receipts.

EXPENDITURE MET FROM REVENUE, 1963-64

The revenue expenditure this year is now estimated at Rs. 1825·34 crores as compared to the budget estimate of Rs. 1852·40 crores, showing a saving of Rs. 27·06 crores. Expenditure on Defence Services on Revenue account would be less by Rs. 15·96 crores, while the balance of saving of Rs. 11·10 crores is the net result of savings and excesses under various Civil expenditure heads. Of the main items of excesses, Rs. 18·15 crores are under grants-in-aid to State Governments and Rs. 7·92 crores in the States' share of Union Excise Duties. Debt Services account for an increase of Rs. 1·82 crores. As mentioned under Revenue, the three self-balancing items together account for a saving of Rs. 4·60 crores. But this will be partly counter-balanced by additional provision of Rs. 2·12 crores on account of Emergency Risks Insurance premium realised last year but transferred to the Funds in the current year. The group head 'Miscellaneous' shows a large saving which is mostly attributable to a saving of Rs. 11·5 crores for the subsidy payable on the export of sugar and Rs. 10·08 crores on account of the requirements of the new Union Territory Governments which are now to be met from their respective Consolidated Funds. Excluding the self-balancing item of iron and steel surcharge, the group head 'Social and Developmental Services' would show a saving of Rs. 6·16 crores. Likewise the requirements of 'Administrative Services', would be less by Rs. 7·83 crores.

CAPITAL EXPENDITURE, 1963-64

Excluding the adjustment for the transfer of assistance from the United States to the Special Development Fund, which is technically treated as Capital Expenditure, current year's budget provided Rs. 826 crores for Capital outlay. The corresponding figure is now estimated at Rs. 762 crores, showing a saving of Rs. 64 crores. The major shortfalls in Capital expenditure are Rs. 43 crores for defence, Rs. 19 crores for Hindustan Steel, Rs. 11 crores for Atomic Energy, Rs. 14 crores for food purchases and Rs. 3 crores for Multi-purpose River Schemes. But these shortfalls would be counter-balanced by increased requirements of Rs. 19 crores for Railways, Rs. 4 crores for Heavy Engineering Corporation and Rs. 3 crores for Heavy Electricals.

LOANS AND ADVANCES, 1963-64

Against the budgeted outlay of Rs. 716 crores for loans to States and other parties, the revised requirements now are estimated at Rs. 816 crores, showing an excess of Rs. 100 crores. Loans to States would now exceed the original estimate by Rs. 85 crores, of which by far the major portion is for accelerated Central assistance for Plan schemes, mainly for agriculture, irrigation and power sectors. In addition, Rs. 11 crores

are required for loans to be advanced to the new Union Territory Governments to meet their Capital expenditures. Loans to other parties would exceed the original provision by Rs. 4 crores, which is the net result of several variations. The requirements of Refinance and Industrial Finance Corporations would exceed the original provision by Rs. 13 crores, while Neyveli Lignite Corporation would require Rs. 6 crores more. But these increases would be partly counter-balanced by savings of Rs. 4 crores each for National Mineral Development Corporation and Fertiliser Corporation, Rs. 3 crores for Port Trusts, Rs. 2 crores for foreign Governments and Rs. 1 crore for Hindustan Steel.

OVERALL POSITION, 1963-64

The budget for the current year had estimated a gap of Rs. 181 crores after taking into account the effect of the new tax proposals. On the basis of the latest assessment and taking into account the improvement in the Revenue budget and also the total receipts and expenditures on Capital account, the overall gap is expected to go down by Rs. 46 crores, *i.e.*, to Rs. 135 crores. As mentioned earlier, the Revenue budget accounts for an improvement of Rs. 105 crores, while the Capital expenditure will show a saving of Rs. 64 crores. The net receipts on account of public debt, both internal and external, would be more by Rs. 9 crores, but the net loans and advances to States and other parties will exceed the earlier estimate by Rs. 121 crores. The drop of Rs. 10 crores under Compulsory Deposits is expected to be made up by a corresponding increase under Small Savings. The receipts on account of Emergency Risks Insurance Funds and National Defence Fund would show a shortfall of Rs. 16 crores and Rs. 25 crores respectively. Likewise, P.L. 480 deposits, due to accelerated release of assistance from U.S. authorities, would go down by Rs. 25 crores. The other debt deposit heads are expected to show an improvement of Rs. 55 crores.

FINANCIAL YEAR 1964-65

For the coming year, at the existing level of taxation, the total revenue estimated is Rs. 2095·12 crores and expenditure of 2041·31 crores resulting in a surplus of Rs. 53·81 crores. After allowing for the effects of the Finance Act, 1964 and the Companies (Profits) Sur Tax Act, 1964, it is estimated that this surplus will increase to Rs. 82·99 crores.

REVENUE RECEIPTS, 1964-65

As compared to the current year's Revised, the revenue receipts next year show an improvement of Rs. 210·62 crores. The four principal heads of revenue account for an improvement of Rs. 116·78 crores, of which Rs. 16·37 crores would occur under Customs due mainly to likely increase in imports of machinery and other capital goods. The Union Excise Duties next year are estimated at Rs. 769·93 crores, showing an increase of Rs. 66·46 crores over the current Revised. The increase reflects the normal buoyancy of revenue through this source, mainly due to larger production and clearances of iron and steel products, mineral oils, sugar, cement and tobacco. Corporation and Income-taxes together are expected to go up by Rs. 33·95 crores. Interest receipts are likely to improve further by Rs. 31·68 crores as a result of progressive increase in loans advanced to State Governments and other parties and also capital investment in Government commercial concerns. The self-balancing item of grants from U.S.A. under P.L. 480 Aid Programme accounts for an improvement of Rs. 76 crores due to the change in the procedure for the release of U.S. assistance on an 'advance' basis instead of in re-imbursement of the

expenditure on approved projects. This improvement, however, will be partly counter-balanced by shortfalls amounting to Rs. 13·7 crores on account of Emergency Risks Insurance premiums and iron and steel surcharge. Absence of the transfer from the National Defence Fund will be responsible for a drop of Rs. 14·93 crores. Surplus profits of the Reserve Bank accruing to Government next year will be less by Rs. 4·5 crores as a result of the Bank's obligation for transfer of Rs. 10 crores to the proposed National Industrial Credit (Long Term Operations) Fund. Payments to the States of their share of income-tax, however, will be less by Rs. 11·80 crores due mainly to the absence of the arrears provided for in the current year. Contributions and dividends from the various public sector undertakings would be more by Rs. 1·97 crores.

REVENUE EXPENDITURE, 1964-65

Of the Revenue expenditure of Rs. 2041·31 crores next year, Rs. 717·80 crores are for Defence Services, showing an increase of Rs. 25·25 crores over the current year's Revised and Rs. 1323·51 crores for expenditure on civil heads.

Civil Expenditure next year shows an increase of Rs. 190·72 crores over the current year's Revised. The growing volume of public debt accounts for an increase of Rs. 36·35 crores under debt services, while the grants-in-aid to the States in the fourth year of the Plan would be more by Rs. 53·38 crores. The three self-balancing items about which a reference has already been made will together be responsible for an increase of Rs. 62·30 crores. Likewise the requirements of the various social and developmental services would be more by Rs. 23·20 crores. An additional provision of Rs. 10 crores has been made under 'Miscellaneous' to cover the recent increase in dearness allowance of low-paid employees with retrospective effect from 1st July, 1963 serving in the Defence and Civil Departments other than P. & T. for whom a provision of Rs. 2·11 crores has been made in the P. & T. Budget. The States' share of Union Excise Duties following larger collections would increase by Rs. 4·99 crores.

CAPITAL EXPENDITURE, 1964-65

The Capital outlay for the coming year after excluding the notional adjustment on account of transfer of loan assistance from USA is estimated at Rs. 796 crores, an increase of Rs. 34 crores over the current year's revised estimate. But this is the net effect of a large number of excesses and shortfalls. Of the major increases, mention may be made of Rs. 20 crores for Defence, Rs. 19 crores for Hindustan Steel, Rs. 16 crores for Railways, Rs. 15 crores for Atomic Energy, Rs. 10 crores for Bokaro Steel Project, Rs. 7 crores for Indian Refineries and Rs. 4 crores each for Oil and Natural Gas Commission and Heavy Electricals. The shortfalls occur mainly under Heavy Engineering (Rs. 29 crores), Posts and Telegraphs Department (Rs. 10 crores), Fertiliser Corporation (Rs. 8 crores), Oil India (Rs. 6 crores) and Cochin Refineries (Rs. 4 crores).

LOANS AND ADVANCES, 1964-65

Provision has also been made next year of Rs. 860 crores for the payment of loans and advances to States and other parties. The current year's Revised includes Rs. 101 crores for loans to States in lieu of their market borrowings. Following the decision to resume separate market

borrowings by the States next year, no provision is being made for this purpose. Excluding this special item, loans to States next year at Rs. 606 crores would exceed the current year's Revised by Rs. 81 crores. By far the major portion of the increase is for financing the various Plan scheme of the States.

As compared to the current year's Revised of Rs. 11 crores, full year's requirements of loans for financing the Capital requirements of the new Union Territory Governments are estimated at Rs. 16 crores. Loans to other parties would amount to Rs. 238 crores exceeding the current Revised by Rs. 59 crores. The major items of increases are Rs. 31 crores for Heavy Engineering Corporation, Rs. 10 crores for Fertiliser Corporation, Rs. 10 crores for new Specialised Credit Agencies, Rs. 9 crores for Shipping Development Fund, Rs. 6 crores for the various Port Trusts, Rs. 4 crores for Industrial Credit and Investment Corporation and Rs. 3 crores each for the National Mineral Development Corporation and Coal Board for Central Ropeway. But these additional requirements would be partly counter-balanced by a drop of Rs. 10 crores for Indian Refineries, Rs. 6 crores for Industrial Finance Corporation and Rs. 4 crores for National Co-operative Development Corporation.

OVERALL POSITION, 1964-65

Summarising, excluding the adjustment of transfer on account of loan assistance from U.S.A., the Capital expenditure next year would amount to Rs. 796 crores. Loans to States and other parties would be of the order of Rs. 860 crores while a provision of Rs. 259 crores is required to meet debt repayments, both internal and external. The total disbursement of Rs. 1,915 crores will be met to the extent of Rs. 83 crores from revenue surplus, Rs. 425 crores from market borrowings including small savings, Rs. 697 crores from foreign loans, Rs. 285 crores from repayment of loans by States and other parties, Rs. 86 crores from State Provident Funds and Railway Funds, Rs. 67 crores on account of Income-Tax Annuity Deposits and Rs. 176 crores from other miscellaneous debt deposit heads, leaving an overall budgetary gap of Rs. 96 crores.

The gap left uncovered will be met by expansion of *ad hoc* treasury bills to be issued in favour of the Reserve Bank of India.

SECTION II

ESTIMATES OF REVENUE AND EXPENDITURE MET FROM REVENUE

SECTION

REVENUE

The budget for 1963-64 assumed a deficit on revenue account of into a revenue surplus of Rs. 88·34 crores. On the basis of the current Rs. 20,95·12 crores and the expenditure met from revenue at Rs. 20,41·31 effects of the Finance Act, 1964 and the Companies (Profits) Sur Tax Act,

The estimated revenue and expenditure by Major Heads of Account Statement of the Central Government. Statement I below gives by broad Annexure XI shows how the estimated expenditure for the next year has

STATEMENT

SUMMARY OF REVENUE

REVENUE

Heads of Revenue	1962-63 Accounts	1963-64 Budget	1963-64 Revised	1964-65 Budget
Customs	2,45,96	3,01,20	3,20,00	3,30,00 +6,37*
Union Excise Duties	5,98,83	6,87,51	7,03,47	7,50,39 +19 15*†
Corporation Tax	2,21,50	2,22,00	2,75,00	2,95,00 +1,67*
Taxes on Income	1,85,96	2,18,00	2,35,00	2,50,00 2,72
Estate Duty	3,94	4,00	4,35	4,40 +3,00*
Taxes on Wealth	9,54	9,40	10,00	10,00 +20*
Expenditure Tax	20	10	17	5 +1 50*
Gift Tax	97	95	1,10	1,10 +2,00*
Other Heads	18,14	19,87	20,46	21,57
Debt Services	1,53,23	2,17,05	2,20,46	2,52,14
Administrative Services	6,92	6,76	8,25	8,98
Social and Developmental Services	46,91	31,61	29,25	28,13
Multi-purpose River Schemes, etc.	56	45	15	11
Public Works, etc.	3,75	4,38	3,77	3,75
Transport and Communications	7,13	7,46	7,20	6,81
Currency and Mint	54,23	73,68	57,37	53,73
Miscellaneous	27,88	24,93	17,48	17,29
Contributions and Miscellaneous Adjustments	24,88	27,66	29,11	31,08
Extraordinary Items	73,91	81,00	94,60	1,43,31
Deduct—Share of Income Tax payable to States	—95,27	—97,95	—1,19,29	—1,08,45 +96*
Deduct—Share of Estate Duty payable to States	—3,88	—3,88	—4,22	—4,27 —2,95*
TOTAL—REVENUE	15,85,29	18,36,18	19,13,68	20,95,12 +29,18†*
DEFICIT ON REVENUE ACCOUNT	..	16,22	..	..
TOTAL	15,85,29	18,52,40	19,13,68	21,24,30

*Effect of Finance Act, 1964.

†Excludes a sum of Rs. 39 lakhs, being the share of Union Excise Duties payable to State which has been taken in reduction of Revenue.

11

BUDGET

Rs. 16·22 crores. It is now expected that this deficit will be converted year's level of taxation, revenue for the coming year is estimated at crores resulting in a surplus of Rs. 53·81 crores. After allowing for the 1964, it is estimated that this surplus will increase to Rs. 82·99 crores.

have been shown in Statements A and B of the annual Financial categories a summary of the estimated revenue and expenditure. been distributed over various Demands for Grants and Appropriations.

I

AND EXPENDITURE

EXPENDITURE

(In lakhs of Rupees)

Heads of Expenditure	1962-63 Accounts	1963-64 Budget	1963-64 Revised	1964-65 Budget
Collection of Taxes and Duties	23,47	23,83	23,67	25,34
Debt Services	2,45,43	2,80,24	2,82,06	3,18,41
Administrative Services	75,17	88,28	80,45	81,84
Social and Developmental Services	1,59,20	1,55,40	1,46,94	1,68,14
Multi-purpose River Schemes, etc.	1,36	1,96	1,36	1,84
Public Works, etc.	18,50	20,94	21,65	20,21
Transport and Communications	9,31	9,79	8,70	10,18
Currency and Mint	22,03	17,24	16,76	17,33
Miscellaneous	1,04,45	1,10,98	91,99	98,51
Contributions and Miscellaneous Adjustments	3,23,36	3,49,04	3,75,15	4,34,19
Extraordinary Items	64,31	86,19	84,06	1,47,52
Defence Services (Net)	4,25,30	7,08,51	6,92,55	7,17,80
TOTAL—EXPENDITURE	14,71,89	18,52,40	18,25,34	20,41,31
SURPLUS ON REVENUE ACCOUNT	1,13,40	..	88,34	82,99
TOTAL	15,85,29	18,52,40	19,13,68	21,24,30

NOTES ON REVENUE ESTIMATES

Customs.—A rough distribution of the Customs revenue expected to be collected during the current year and the next year is given below:

STATEMENT II

SEA CUSTOMS—IMPORTS

(In lakhs of Rs.)

	Accounts, 1962-63	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
I.—*Revenue Duties*				
Spirits and liquors	1,19	1,10	1,16	1,26
Spices	1,60	1,76	45	39
Tobacco	2,38	2,58	2,25	2,10
Kerosene oil	19,94	38,09	26,00	26,00
Motor spirit	3,99	5,64	5,00	5,00
Batching, lubricating and other Mineral Oils	2,71	3,38	4,90	4,50
High Speed Diesel Oil and Vaporising Oil	24,14	25,62	30,00	30,50
Industrial Fuel Oil	2,55	3,09	1,60	1,60
Motor cars, cycles, scooters, ominibuses, chassis, vans, lorries and parts thereof	3,48	2,89	1,80	1,18
Electric lighting bulbs	28	33	13	11
Wireless reception instruments and apparatus	1,47	1,66	1,50	1,25
Coal-tar dyes and coal-tar derivatives	3,20	4,30	3,00	2,44
Machinery	39,34	54,57	64,00	70,10
Iron and steel	14,84	19,59	28,00	26,88
Metals, other than iron and steel and silver	2,11	3,15	2,71	2,70
Railway plant and rolling stock	2,49	99	1,00	1,05
Wood-pulp, paper and stationery	4,86	4,94	4,15	4,31
Artificial silk yarn and thread	11,81	13,45	11,50	14,94
Cotton yarn and other textile fabrics	16	10	7	6
Cinematograph films	74	1,17	1,00	95
Pneumatic rubber tyres and tubes	42	44	40	35
Betelnuts	2,62	2,20	80	1,00
Heavy Chemicals	57	71	60	55
Chemicals, drugs and medicines	8,40	7,72	10,00	10,00
Artificial silk fabrics	4	..	7	1
Raw Cotton	9	2,20	1,50	1,70
All other articles	62,46	69,65	90,00	1,00,79
TOTAL—Revenue Duties	2,17,88	2,71,22	2,93,59	3,11,72

STATEMENT II—*concld.*

SEA CUSTOMS—IMPORTS—*concld.*

(In lakhs of Rs.)

	Accounts, 1962-63	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
II.—*Protective Duties*				
Heavy Chemicals	2,67	2,70	2,20	2,68
Iron and Steel	3	3	1	
Metals other than iron and steel	2,76	3,80	2,25	2,30
Raw silk	29	32	40	38
Machinery other than Sewing Machines	2,16	2,75	2,62	2,52
Cycles (other than motor cycles) and parts thereof	15	11	6	5
Dyes derived from coal-tar & coal-tar derivatives	47	61	46	41
Motor Vehicle parts	11,19	16,43	16,50	15,00
All other articles	82	94	73	72
TOTAL—Protective Duties	20,54	27,69	25,23	24,07
TOTAL—IMPORTS	2,38,42	2,98,91	3,18,82	3,35,79

STATEMENT II—*concld.*

SEA CUSTOMS—EXPORTS

(In lakhs of Rs.)

	Accounts, 1962-63	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Raw Jute	10	7	16	1
Raw Cotton	66	60	67	73
Cotton Waste	68	70	33	21
Tea	6,60	1,12	84	84
Other agricultural produce	68	60	66	66
Mica	26	27	25	25
Coffee	10	12	13	13
Coir	8	7	8	8
Lac	39	40	34	5
All Other Articles	5	..	..	..
TOTAL—EXPORTS	9,60	3,95	3,46	2,96
Land Customs	31	54	32	37
Air Customs	3,81	3,60	3,10	3,20
Miscellaneous	3,38	2,70	3,00	2,75
TOTAL—GROSS REVENUE	2,55,52	3,09,70	3,28,70	3,45,0
Deduct—REFUNDS	—9,56	—8,50	—8,70	—8,70
NET REVENUE	2,45,96	3,01,20	3,20,00	3,36,37

The import tariff is cast in the form of a commodity schedule with broad distinctions indicating the treatment to be accorded to various classes of articles. The general rate of import duty is now 60 per cent. On certain non-essential items where it is felt that the consumer can well pay a higher rate or where there is sufficient indigenous production to meet the needs, higher rates of duty are imposed. Certain items are subjected to protective duties while certain others are declared duty free or are subjected to lower rates of duty in the interest of indigenous industry or the economy of the country. Some of the items which carry the heaviest rates of duty (ranging from 75 to 200 per cent) are certain spices, tobacco manufactures, wines and spirits, artificial silk goods, gold plated articles, socks and stockings of silk or art silk, hardware, parasols and sunshades, gold and silver thread manufactures, silver thread and wire, motor cars, clocks and watches, etc. Some of the protected goods are automobiles, some chemicals, certain coal tar dyes, matches, silk fabrics, some non-ferrous metals and manufactures, certain items of machinery and parts, ball bearings, titanium dioxide and power and distribution transformers, for which the duties are fixed at such rates and for such periods as are found necessary having regard to the recommendations of the Tariff Commission. Grains and pulses and certain raw materials for industry are on the free list, while specially low but varying rates of tax cover a large number of essential items like fuel oils, batching oils, lubricants, raw films, machinery, etc.

Provision also exists for the levy of countervailing import duties wherever an excise duty is leviable on the like indigenous product so that the indigenous producer is not placed at a disadvantage.

For the year 1963-64, a general import surcharge was imposed, at the rate of 10 per cent of the effective import duty (excluding countervailing duty).

The revenue from Customs during the current year is now placed at constant review. There are at present very few commodities which are subjected to export duties.

The revenue from Customs during the current year is now placed at Rs. 320 crores as against the original estimate of Rs. 301·20 crores, the increase being mainly under Import Duties. Larger imports of machinery, iron and steel, high-speed diesel, vaporising and other mineral oils except kerosene and industrial fuel oil, to meet industrial needs account for an increase of Rs. 9·43 crores, Rs. 8·41 crores and Rs. 5·90 crores respectively. The group head 'chemicals, drugs and medicines' and the miscellaneous head 'all other articles' also show an increase but this is counterbalanced by a decrease under kerosene (Rs. 12·09 crores), Art silk yarn and thread (Rs. 1·95 crores) and a number of other items due to lesser imports. The revenue from export duties and air customs also shows a fall of Rs. 49 lakhs and Rs. 50 lakhs respectively, the reduction in the former being mainly under tea and cotton waste.

The Customs revenue next year has been placed at Rs. 336·37 crores having regard to the likely increased import of machinery and other capital goods for industrial development and increase in import duties mainly on iron and steel, artificial silk yarn and thread and in protective duties on heavy chemicals effected under the Finance Act, 1964.

STATEMENT

Union Excise Duties.—Following are the details

Basic Duties	Accounts, 1962-63 *Basic Excise*	Accounts, 1962-63 *Special Excise*	Accounts, 1962-63 *Total*	Budget, 1963-64 *Basic Excise*	Budget, 1963-64 *Special Excise*	Budget, 1963-64 *Total*
Motor Spirit	51,15	41	51,56	66,00	5,75	71,75
Kerosene	16,55	..	16,55	29,63	..	29,63
Sugar	60,18	..	60,18	63,80	..	63,80
Matches	21,91	..	21,91	21,50	..	21,50
Steel Ingots	4,61	..	4,61	7,00	..	7,00
Tyres & Tubes	16,85	19	17,04	17,00	3,40	20,40
Tobacco	63,89	54	64,43	75,58	15,11	90,69
Vegetable Product	7,70	11	7,81	11,20	2,24	13,44
Coffee	1,82	1	1,83	2,00	40	2,40
Tea	10,20	1	10,21	13,73	2,25	15,98
Cotton Fabrics	58,37	..	58,37	56,50	..	56,50
Artificial Silk Fabrics	1,11	1	1,12	85	17	1,02
Cement	21,09	29	21,38	21,00	4,20	25,20
Footwear	2,13	..	2,13	2,15	..	2,15
Soap	2,95	7	3,02	4,15	83	4,98
Woollen Fabrics	1,92	1	1,93	1,50	30	1,80
Electric Fans	1,49	3	1,52	1,30	26	1,56
Electric Bulbs	1,28	1	1,29	1,20	12	1,32
Electric Batteries	2,20	3	2,23	2,05	31	2,36
Paper	13,18	15	13,33	13,00	2,10	15,10
Paints and Varnishes	2,57	5	2,62	2,65	53	3,18
Vegetable non-essential Oils	10,54	..	10,54	75	..	75
Refined Diesel Oils and Vaporizing Oil	46,60	39	46,99	54,04	5,02	59,06
Diesel Oil N.O.S.	9,64	11	9,75	17,30	1,60	18,90
Furnace Oil	9,14	..	9,14	9,14	..	9,14
Rayon and Synthetic fibres and yarn	9,58	13	9,71	8,50	2,83	11,33
Motor vehicles	10,99	23	11,22	11,00	2,60	13,60
Asphalt and Bitumen	2,40	..	2,40	2,35	..	2,35
Aluminium	1,67	2	1,69	1,50	30	1,80
Tin Plate	1,96	..	1,96	1,65	17	1,82
Pig Iron	1,36	..	1,36	1,50	..	1,50
Silk Fabrics	4	..	4	6	2	8
Cycles, parts thereof	1,61	..	1,61	1,65	..	1,65
Internal Combustion Engines	1,26	1	1,27	1,45	15	1,60
Electric Motors	1,24	2	1,26	1,20	24	1,44
Cinematograph Films	73	1	74	70	14	84
Soda Ash	41	..	41	40	..	40
Caustic Soda	51	..	51	55	..	55
Glycerine	12	..	12	12	..	12

*The figures are provisional. The accounts for 1962-63 have not yet been finally closed.

III

of revenue from Union Excise Duties :—

(In lakhs of Rs.)

Revised, 1963-64 *Basic Excise*	Revised, 1963-64 *Special Excise*	Revised, 1963-64 *Total*	Budget, 1964-65 *Basic Excise*	Budget, 1964-65 *Special Excise*	Budget, 1964-65 *Total*
61,00	5,25	66,25	66,00	5,65	71,65
35,00	..	35,00	39,60	..	39,60
54,70	..	54,70	58,25	..	58,25
21,50	..	21,50	21,50	..	21,50
2	..	2	2	..	2
18,50	3,70	22,20	20,00	3,52	23,52
67,00	13,00	80,00	70,77	13,92	84,69
12,00	2,40	14,40	12,50	2,50	15,00
1,80	36	2,16	2,00	40	2,40
12,88	2,10	14,98	13,15	2,13	15,28
56,50	..	56,50	54,94	..	54,94
1,10	22	1,32	1,15	23	1,38
21,50	4,30	25,80	23,00	4,60	27,60
2,60	..	2,60	3,20	..	3,20
4,15	83	4,98	3,85	77	4,62
1,80	36	2,16	1,80	36	2,16
1,30	26	1,56	1,60	32	1,92
1,55	17	1,72	1,70	..	1,70
2,50	38	2,88	2,60	40	3,00
14,90	2,40	17,30	14,81	1,85	16,66
3,20	64	3,84	3,90	78	4,68
1,50	..	1,50	1,70	..	1,70
57,50	5,25	62,75	59,00	5,30	64,30
13,15	1,25	14,40	16,40	1,50	17,90
11,00	..	11,00	12,00	..	12,00
9,50	3,17	12,67	14,31	4,19	18,50
10,50	2,50	13,00	11,00	2,60	13,60
2,35	..	2,35	2,50	..	2,50
2,00	40	2,40	2,40	53	2,93
1,65	17	1,82	1,65	17	1,82
1,50	..	1,50	3,90	..	3,90
6	2	8	6	2	8
1,65	..	1,65	1,65	..	1,65
1,45	15	1,60	1,50	15	1,65
1,50	30	1,80	1,42		1,70
1,00	20	1,20	1,00	20	1,20
47	..	47	50	..	50
55	..	55	60	..	60
12	..	12	12	..	12

STATEMENT

(In lakhs

	Accounts, 1962-63 *Basic Excise*	Accounts, 1962-63 *Special Excise*	Accounts, 1962-63 *Total*	Budget, 1963-64 *Basic Excise*
Basic Duties				
Coal-tar Dyes and Coal-tar Derivatives	2,02	1	2,03	2,25
Patent or proprietary medicines	5,06	..	5,06	5,40
Cosmetics	1,32	2	1,34	1,25
Cotton yarn	8,29	9	8,38	7,50
Woollen yarn	1,88	3	1,91	2,00
Glass & Glassware	2,71	1	2,72	2,50
Chinaware	1,10	1	1,11	1,05
Copper	1,83	..	1,83	2,20
Zinc	15	..	15	15
Refrigerators and Airconditioning Machinery	1,46	3	1,49	1,00
Wireless Receiving Sets	1,19	2	1,21	1,25
Plastics	1,55	2	1,57	1,25
Cellophane	39	..	39	35
All Petroleum Products N.O.S.	62	..	62	35
Nitric etc. Acids	90	..	90	85
Gases	1,70	..	1,70	1,10
Rubber products	1,57	1	1,58	85
Plywood	98	..	98	80
Sodium Silicate	..	..	..	..
Jute Manufactures	5,24	4	5,28	4,00
Asbestos-cement products	89	..	89	90
Iron & Steel products	24,29	..	24,29	20,50
Electric wires and cables	2,57	..	2,57	2,25
Gramophones & records	20	..	20	15
Salt Cess	84	..	84	85
Coal Cess	12,26	..	12,26	7,25
Cess on Copra	12	..	12	10
Cess on Oils and oil-seeds	28	..	28	20
Cess on Iron Ores	..	..	..	25
Miscellaneous	1,99	..	1,99	85
TOTAL—GROSS REVENUE	5,56,35	3,13	5,59,48	5,97,05
Deduct—REFUNDS AND DRAWBACKS	—5,40	..	—5,40	—4,50
TOTAL—NET REVENUE*	5,50,95	3,13	5,54,08	5,92,55
Additional Duties				
Sugar	15,03	..	15,03	17,53
Textiles	20,34	..	20,34	21,33
Tobacco	9,38	..	9,38	9,00
TOTAL	44,75	..	44,75	47,86
GRAND TOTAL—UNION EXCISE DUTIES	5,95,70	3,13	5,98,83	6,40,41

*The figures are provisional. The accounts for 1962-63 have not yet been finally closed.

III—*concld.*

of Rupees)

Budget, 1963-64 *Special Excise*	Budget, 1963-64 *Total*	Revised, 1963-64 *Basic* Excise	Revised, 1963-64 Special Excise	Revised, 1963-64 Total	Budget, 1964-65 *Basic* Excise	Budget, 1964-65 Special Excise	Budget, 1964-65 Total
23	2,48	1,60	16	1,76	1,82	..	1,82
..	5,40	5,55	..	5,55	5,55	..	5,55
25	1,50	1,25	25	1,50	1,25	25	1,50
1,70	9,20	8,00	1,80	9,80	18,16	1,94	20,10
67	2,67	3,00	1,00	4,00	3,69	1,23	4,92
29	2,79	2,65	30	2,95	2,75	9	2,84
10	1,15	1,20	12	1,32	1,30	..	1,30
..	2,20	2,25	..	2,25	2,30	..	2,30
..	15	15	..	15	15	..	15
33	1,33	1,15	35	1,50	1,40	47	1,87
42	1,67	1,25	42	1,67	1,30	43	1,73
25	1,50	1,85	37	2,22	2,00	40	2,40
7	42	50	10	60	50	..	50
..	35	45	..	45	50	..	50
..	85	1,00	..	1,00	81	..	81
..	1,10	2,00	..	2,00	36	..	36
17	1,02	95	19	1,14	1,35	27	1,62
..	80	1,10	..	1,10	1,20	..	1,20
..		..	..	..	40	..	40
40	4,40	5,00	50	5,50	5,50	55	6,05
..	90	1,10	..	1,10	1,20	..	1,20
..	20,50	36,00	..	36,00	50,41	..	50,41
..	2,25	3,20	..	3,20	3,40	..	3,40
1	16	25	5	30	10	5	15
..	85	85	..	85	85	..	85
..	7,25	12,25	..	12,25	12,25	..	12,25
..	10	10	..	10	10	..	10
..	20	20	..	20	20	..	20
..	25	8	..	8	25	..	25
..	85	65	..	65	65	..	65
55,93	6,52,98	6,08,53	55,39	6,63,92	6,69,75	58,05	7,27,80
..	—4,50	—6,00	..	—6,00	—6,00	..	—6,00
55,93	6,48,48	6,02,53	55,39	6,57,92	6,63,75	58,05	7,21,80
..	17,53	15,15	..	15,15	17,00	..	17,00
..	21,33	22,40	..	22,40	22,63	..	22,63
..	9,00	8,00	..	8,00	8,50	..	8,50
..	47,86	45,55	..	45,55	48,13	..	48,13
55,93	6,96,34	6,48,08	55,39	7,03,47	7,11,88	58,05	7,69,93

Union Excise Duties.—The revenue from Basic Excise Duties during the current year is now estimated at Rs. 602·53 crores as against the original Budget of Rs. 592·55 crores, showing an increase of Rs. 9·98 crores which is the net result of variations over a number of items. The yields from the duties on the various mineral oils, notably kerosene, refined diesel, vaporising and furnace oils, paper, tyres and tubes, rayon and synthetic fibres, jute manufactures and woollen yarn show considerable improvement reflecting increased production and clearances. The yield from the duty on iron and steel products is also larger but is partly counterbalanced by shortfall from the duties on steel ingots, the excise being mostly paid on the finished products. The revenue from the cess on coal and coke is also expected to yield more but a shortfall is anticipated on the cess on iron ore. On the other hand, the realisations on sugar, tobacco, motor spirit and diesel oils not otherwise specified show a considerable fall due to the production and clearances being below the expected level.

The revenue from Basic Excise Duties next year is estimated at Rs. 663·75 crores having regard to the anticipated buoyancy in production and clearances, and the increase in the rates of excise duty on pig iron and steel products, cotton yarn, rayon and synthetic fibres and yarn effected under the Finance Act, 1964, partly off set by the reduction made through the same Act in the rates of duty on certain articles such as tobacco, soap, paper and cotton fabrics.

The above estimates include—

(a) Rs. 6·80 crores this year and Rs. 6·82 crores next year from the special cess of 1·9 P. per sq. metre on mill-made cloth for the benefit of handloom and khadi industries;

(b) Rs. 12·25 crores each both this year and next year from the Coal Mines Labour Welfare Cess and the Coal Mines Safetv and Conservation Cess;

(c) Rs. 10 lakhs in both the years from the cess on copra for payment to the Indian Central Coconut Committee.

(d) Rs. 20 lakhs in both the years from the cess on oils and oilseeds for payment to the Indian Central Oilseeds Committee.

(e) Rs. 85 lakhs each both this year and next year from the cess on salt.

(f) Rs. 8 lakhs this year and Rs. 25 lakhs next year from the cess on Iron Ore under the Iron Ore Labour Welfare Cess Act for transfer to the Iron Ore Mines Labour Welfare Fund.

Following the recommendations of the Third Finance Commission, the Union Duties of Excise (Distribution) Act 1962 provides that 20 per cent of the net proceeds of the Basic Union Duties of Excise levied and collected under the Central Excises and Salt Act 1944 on all articles other than motor spirit on which such duties were collected in 1960-61, excluding those (but not excluding silk fabrics) on which the yield was below Rs. 50 lakhs a year, shall be distributed among the States. The States' share has since been increased by 0·03 per cent of the net distributable proceeds for the current year and 0·1 per cent from next year onwards by an Order made by the President under Section 23 of the State of Nagaland Act, 1962 the increase being payable to the new State of Nagaland constituted with effect from the 1st December, 1963. Accordingly, the duties on the following commodities are shareable with the States:—

1. Sugar.
2. Coffee.
3. Tea.
4. Tobacco.

5. Kerosene.
6. Refined diesel oils and vaporizing oils.
7. Diesel oil, not otherwise specified.
8. Furnace oil.
9. Asphalt and Bitumen.
10. Vegetable non-essential oils.
11. Vegetable product.
12. Pigments, colours, paints, enamels, varnishes, blacks and cellulose lacquers.
13. Soap.
14. Tyres and Tubes.
15. Paper.
16. Rayon and Synthetic fibres and yarn.
17. Cotton fabrics.
18. Silk fabrics.
19. Woollen fabrics.
20. Rayon or artificial silk fabrics.
21. Cement.
22. Pig Iron.
23. Steel Ingots.
24. Aluminium.
25. Tin plate and tinned sheets including tin taggers and cuttings of such plates, sheets or taggers.
26. Internal combustion engines.
27. Electric motors and parts thereof.
28. Electric batteries and parts thereof.
29. Electric lighting bulbs and flourescent lighting tubes.
30. Electric fans.
31. Motor vehicles.
32. Cycles, parts of cycles other than motor cycles.
33. Footwear.
34. Cinematograph films exposed.
35. Matches.

The percentage share of each State other than Nagaland in the distribution of 20 per cent of the net proceeds of shareable commodities is as follows:—

State	Percentage
Andhra Pradesh	8·23
Assam	4·73
Bihar	11·56
Gujarat	6·45
Jammu and Kashmir	2·02
Kerala	5·46
Madhya Pradesh	8·46
Madras	6·08
Maharashtra	5·73
Mysore	5·82
Orissa	7·07
Punjab	6·71
Rajasthan	5·93
Uttar Pradesh	10·68
West Bengal	5·07
	100·00

The amount payable to the States as their share of Basic Excise Duties is now estimated at Rs. 88·46 crores including Rs. 2·65 lakhs for Nagaland as compared with the original estimate of Rs. 90·36 crores, the fall being due to the reduction in the net proceeds of shareable commodities. In addition, a sum of Rs. 3·92 crores representing the arrears for 1962-63 due to the actual collections having exceeded the Revised Estimates of that year is also payable to the States.

Following the increased estimate of collections, the States' share next year is estimated at Rs. 94·45 crores including Rs. 9 lakhs for Nagaland.

The share of the States has been worked out as follows:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Total gross collections of divisible commodities	4,60,59	4,59,81	4,80,83
Deduct—Refunds	—3,45	—3,66	—3,76
Deduct—Cost of collection	—5,35	—5,00	—5,29
Net proceeds of divisible commodities	4,51,79	4,42,15	4,71,78
Amount payable to States other than Nagaland	90,36	88,43	94,36
Adjustment on account of short payments in respect of 1962-63	..	(+)3,92	..
Share of Nagaland	..	3	9
TOTAL STATES' SHARE	90,36	92,38	94,45

The amount payable to each State has been shown in Statement IV.

Special Duties of Excise.—Under the Finance Act, 1963, a Special Duty of Excise ranging from 10 to 33⅓ per cent of the basic duty has been levied on certain articles which are chargeable to duty under the Central Excises and Salt Act 1944, notably tobacco, motor spirit, diesel and vaporising oils, cement, tyres and tubes, motor vehicles and paper. This duty is exclusively for Union purposes and is, therefore, not shareable with the States. The yield during the current year is estimated at Rs. 55·39 crores as against the original estimate of Rs. 55·93 crores the decrease being mainly under tobacco and motor spirit, counterbalanced by increase under other items. Subject to certain changes the special excise duties have been continued under the Finance Act, 1964 and these are expected to yield Rs. 58·05 crores during the next year.

Additional Duties of Excise.—The Additional Duties of Excise (Goods of Special Importance) Act, 1957, provides for the levy and collection of additional duties on sugar, tobacco, cotton fabrics, silk fabrics, woollen fabrics and rayon or artificial silk fabrics produced or manufactured in India. These duties are in addition to the duties payable under the Central Excises and Salt Act, 1944 or under any other law for the time being in force and replace, by agreement with the State Governments, the sales tax levied by them on these commodities.

The collections of the Additional Duties during the current year are now estimated at Rs. 45·55 crores as compared with the original estimate of Rs. 47·86 crores, the decrease being due to lesser realisations from the

duties on sugar and tobacco, partly counterbalanced by increase under textiles. The collections next year are estimated at Rs. 48·13 crores following progressive increase in production and clearances and after taking into account the reduction in the rate of duties on textiles effected under the Finance Act, 1964.

The net proceeds of these duties after allowing for the cost of collection and refunds are distributed amongst the States in accordance with the provisions of Section 4 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957, read with the Second Schedule thereto, as amended in 1962, following the recommendations of the Third Finance Commission.

The States' share stands further modified by the Order made by the President under Section 23 of the State of Nagaland Act, 1962 consequent on the constitution of the new State of Nagaland with effect from the 1st December, 1963, the share payable to that State being 0·02 per cent of the net proceeds during the current year and 0·05 per cent from next year onwards.

Accordingly out of the net proceeds 1½ per cent is paid to the State of Jammu and Kashmir and a further ·02% this year and ·05% from next year to Nagaland. The other States are guaranteed certain amounts in lieu of the loss as a result of the abolition of Sales Tax on the various commodities subjected to additional duties. The excess if any, over the amounts guaranteed to the States, after deducting 0·98 per cent during the current year and 0·95 per cent from next year onwards being the share attributable to the Union Territories is distributed among the States at the prescribed percentages. The amounts guaranteed to the States other than Jammu and Kashmir and Nagaland and the percentages according to which the balance reduced by the share of Union territories is distributed, are as shown below:

(Rupees in Lakhs)

State	Guaranteed	Percentage share of balance
Andhra Pradesh	235·24	7·75
Assam	85·08	2·50
Bihar	130·16	10·00
Gujarat	323·45	5·40
Kerala	95·08	4·25
Madhya Pradesh	155·17	7·00
Madras	285·34	9·00
Maharashtra	637·77	10·60
Mysore	100·10	5·25
Orissa	85·10	4·50
Punjab	175·19	5·25
Rajasthan	90·10	4·00
Uttar Pradesh	575·81	15·50
West Bengal	280·41	9·00
	3254·00	100·00

The amount payable to the States during the current year is now estimated at Rs. 44·54 crores, including Rs. 90 thousands for Nagaland as against the original estimate of Rs. 46·54 crores, the fall being due to the decrease in collections. Further, an amount of Rs. 93 lakhs representing an excess payment relating to 1962-63 is also recoverable from the States. The States' share next year is placed higher at Rs. 46·92 crores including Rs. 2 lakhs for Nagaland following the increase in the estimate of collections.

The share of the States has been worked out as follows:

(In laks of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget 1964-65
Total Gross collections	47,86	45,55	48,13
Deduct—Refunds and cost of collection	—85	—57	—76
Net proceeds	47,01	44,98	47,37
Amount payable to states other than Nagaland	46,54	44,53	46,90
Adjustment on account of over payments in respect of 1962-63	..	—93	..
TOTAL	46,54	43,60	46,90
Amount payable to Nagaland	..		2
TOTAL State's share	46,54	43,61	46,92

The amount payable to each State has been shown in Statement IV.

Taxes on Income including Corporation Tax.—Broad details of Revenue are:

(In lakhs of Rs.)

	Accounts, 1962-63	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Corporation Tax—				
Ordinary Collections	2,22,14	2,02,00	2,55,00	2,89,17
Excess Profits Tax	—67	..	..	..
Business Profits Tax	3	..	..	..
Super Profits Tax	..	20,00	20,00	1,00
Sur Tax	..	..	..	6,50
TOTAL	2,21,50	2,22,00	2,75,00	2,96,67
Taxes on Income other than Corporation Tax—				
Ordinary Collections	1,75,98	1,91,05	2,06,01	2,30,65
Surcharge (Central)	5,62	5,00	6,34	6,55
Surcharge (Special)	4,15	3,95	4,65	3,08
Additional Surcharge (Union)	..	18,00	18,00	7,00
Excess Profits Tax	20	..	..	..
Business Profits Tax	1	..	..	..
TOTAL	1,85,96	2,18,00	2,35,00	2,47,28
GRAND Total—Corporation Tax and Taxes on Income	4,07,46	4,40,00	5,10,00	5,43,95

The revenue from Corporation Tax and Taxes on Income in the current year is now expected to exceed the original Budget by Rs. 53 crores and Rs. 17 crores respectively. The increase is mainly due to the tightening up of the provisions relating to the payment of advance tax, incentives given for prompt payment of tax and the completion of a larger number of assessments than anticipated.

After taking into account the effect of the changes made in the Corporation Tax and the Income-tax through the Finance Act, 1964 and the substitution of the Super Profits Tax by a sur tax on the profits of companies under the Companies (Profits) Sur Tax Act, 1964, Budget next year assumes a further increase of Rs. 21·67 crores under Corporation Tax and Rs. 12·28 crores under Taxes on Income

While the Corporation Tax accrues in its entirety to the Centre, the net proceeds of Income-tax, except the tax attributable to Union emoluments, Union territories and Central surcharges, if any, are divisible between the Centre and the States. The Constitution (Distribution of Revenues) Order, 1962, provides that 66 2/3 per cent of the net proceeds of taxes on income, exclusive of the proceeds attributable to Union Territories or the taxes payable in respect of Union emoluments, shall be assigned to the states and distributed amongst them as follows:

State	Per cent.
Andhra Pradesh	7·71
Assam	2·44
Bihar	9·33
Gujarat	4·78
Jammu and Kashmir	0·70
Kerala	3·55
Madhya Pradesh	6·41
Madras	8·13
Maharashtra	13·41
Mysore	5·13
Orissa	3·44
Punjab	4·49
Rajasthan	3·97
Uttar Pradesh	14·42
West Bengal	12·09
	100·00

In addition, following the Order made by the President under Section 23 of the State of Nagaland Act 1962 that State will receive 0·03 per cent during the current year and 0·1 per ecnt from next year onwards of the net proceeds of Taxes on Income exclusive of those in respect of Union emoluments and Central surcharges and the portion attributable to Union Territories.

The current year's Budget provides for the payment to the States of Rs. 97·95 crores as their share of divisible net proceeds of Taxes on Income. The amount payable is now estimated at Rs. 103·50 crores including Rs. 5 lakhs for Nagaland, the increase being due to larger collection of Income tax than anticipated. In addition, arrears amounting to Rs. 3·59 crores for 1962-63 and Rs. 12·20 crores for years prior to 1961-62 on the basis of certified figures furnished by the Comptroller and Auditor General are also payable to the States. The States, share of Income-tax next year is estimated at Rs. 107·49 crores including Rs. 16 lakhs for Nagaland. The detailed calculations are given below:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 196 3-64	Budget, 1964-65
Total Taxes on Income other than Corporation Tax excluding Central surcharge, Miscellaneous receipts and Advance payments	1,60,60	1,68,86	1,74,89
Deduct—Portion attributable to Union emoluments	—6,35	—6,49	—6,09
Deduct—Cost of collection	—3,55	—3,22	—3,67
Net	1,50,70	1,59,15	1,65,13
Portion attributable to Union Territories	—3,77	—3,98	—4,13
TOTAL—Divisible Pool	1,46,93	1,55,17	1,61,00
Amount payable to States other than Nagaland	97,95	1,03,45	1,07,33
Adjustment on account of shortpayments n respect of 1962-63	..	(+)3,59	..
Adjustment on account of short payments in respect of the years 1952-53 to 1960-61 on the basis of certified figures	..	(+)12,20	..
Amount payable to Nagaland	..	5	16
Amount payable to States	97,95	1,19,29	1,07,49

The amounts payable to the States as their share of income-tax has been shown in Statement IV.

Estate Duty.—The entire net proceeds of Estate Duty on agricultural land are assigned to the States in which it is collected. As regards the duty on property other than agricultural land, the net proceeds collected during a year after deducting a sum equal to 1 per cent attributable to the Union Territories, are distributed among the States in accordance with the Estate Duty (Distribution) Act 1962. The share attributable to Union Territories has since been reduced to 0·98 per cent during the current year and 0·95 per cent from next year in terms of the Order made by the President under Section 23 of the State of Nagaland Act, 1962 the balance, namely 0·02 per cent during the current year and 0·05 per cent from next year being payable to the new State of Nagaland. The distribution among the other States is made as under:

(a) The amount attributable to immovable property: in proportion to the gross value of the immovable property situated in the respective States.

(b) The balance: as under:

State	Per cent.
Andhra Pradesh	8·34
Assam	2·75
Bihar	10·78
Gujarat	4·78
Jammu and Kashmir	0·83
Kerala	3·92
Madhya Pradesh	7·51
Madras	7·80
Maharashtra	9·16
Mysore	5·46
Orissa	4·08
Punjab	4·71
Rajasthan	4·67
Uttar Pradesh	17·10
West Bengal	8·11
	100·00

The collections from Estate Duty in the current year are estimated at Rs. 4·35 crores as against the current Budget of Rs. 4 crores. As a result of the changes in the rates of Estate Duty effected through the Finance Act, 1964 the collections next year are estimated at Rs. 7·40 crores. The States' share would amount to Rs. 4·22 crores this year and Rs. 7·22 crores next year. The share of the States has been worked out as under:—

(Rs. in thousands)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Agricultural land—			
Total gross collections	21,13	21,69	27,16
Deduct—Cost of collection	—45	—44	—43
Deduct—Net proceeds in respect of Union Territories	—10	—6	—13
Net amount to be distributed amongst States	20,58	21,19	26,60

(Rs. in thousands)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Property other than Agricultural land—			
Total gross collections	3,78,87	4,13,31	7,12,84
Deduct—Cost of collection	—7,70	—8,22	—10,39
Net proceeds	3,71,17	4,05,09	7,02,45
Less—Portion attributable to Union territories	—3,71	(—)4,05	(—)7,02
Net proceeds to be distributed amongst States	3,67,46	4,01,04	6,95,43
Total amount payable to States other than Nagaland	3,88,04	4,22,23	7,22,03
Amount payable to Nagaland	..	8	35
	3,88,04	4,22,31	7,22,38

The amount payable to each State has been shown in Statement IV.

Taxes on Wealth.—The Wealth Tax Act, 1957, provides for the levy of a tax on the net wealth of every individual and Hindu undivided family The rates effective from 1-4-64 are as indecated below:

(*a*) *Individuals—*

(*i*) On the first Rs.1 lakhs of net wealth	Nil
(*ii*) On the next Rs. 4 lakhs of net wealth	0.5%
(*iii*) On the next Rs. 5 lakhs of net wealth	1%
(*iv*) On the next Rs. 10 lakhs of net wealth	2%
(*v*) On the balance of net wealth	2.5%

(*b*) *Hindu undivided family—*

(*i*) On the first Rs. 2 lakhs of net wealth	Nil
(*ii*) On the next Rs. 3 lakhs of net wealh.	0.5%
(*iii*) On the next Rs. 5 lakhs of net wealth	1.0%
(*iv*) On the next Rs. 10 lakhs of net wealth	2.0%
(*v*) On the balance of net wealth	2.5%

As against the original estimate of Rs. 9·4 crores, the receipts from Wealth-tax during the current year are placed at Rs. 10 crores. Budget next year assumes an increase of Rs. 20 lakhs on account of the changes effected in the rates of Tax under the Finance Act, 1964.

Expenditure Tax.—The Expenditure Tax Act, 1957, as amended by the Finance Act, 1959, provided for the levy of a tax on the taxable expenditure incurred by assessees and their dependants in the previous year, provided the aggregate income of the assessee and his dependant after deduction of the other taxes payable on that income exceeds Rs. 36,000.

The levy of the tax was suspended with effect from 1st April, 1962 under the Finance (No. 2) Act of 1962. The receipts from the assessments in respect of the earlier years which were estimated at Rs. 9·5 lakhs this year, are now expected to amount to Rs. 17·5 lakhs. The tax has been reintroduced under the Finance Act, 1964. The rates of expenditure tax in the case of every individual and Hindu undivided family on that portion of the taxable expenditure are:—

(i) upto Rs. 36,000	Nil
(ii) exeeeding Rs. 36,000 but not exceeding Rs. 48,000	5%
(iii) exceeding Rs. 48,000 but not exceeding Rs. 60,000	7·5%
(iv) exceeding Rs. 60,000 but not exceeding Rs. 72,000	10%
(v) exceeding Rs. 72,000 but not exceeding Rs. 84,000	15%
(vi) exceeding Rs. 84,000	20%

In respect of the assessments for the financial year commencing on the 1st day of April, 1964 or 1965, however, the rate of tax in respect of both items (v) and (vi) above would be 15%. Budget next year estimates the receipts from Expenditure Tax at Rs. 1·55 crores.

Gift Tax.—The Gift Tax Act, 1958, provides for the levy every year of a tax on gifts made during the previous year. The rates of gift tax specified in the Finance Act, 1964 are as below:

	Rate of gift tax
(1) On the first Rs. 5,000 of the value of all taxable gifts	4%
(2) On the next Rs. 15,000 of the value of all taxable gifts	8%
(3) On the next Rs. 25,000 of the value of all taxable gifts	15%
(4) On the next Rs. 1,00,000 of the value of all taxable gifts	25%
(5) On the next Rs. 2,00,000 of the value of all taxable gifts	40%
6) On the balance of the value of all taxable gifts	50%

The collections from Gift Tax are now estimated at Rs. 1,10 lakhs in the current year as compared with the current Budget of Rs. 95 lakhs. In view of the changes in the rates of tax effected through the Finance Act, 1964, the collections next year are estimated at Rs. 3,10 lakhs.

Other heads.—The relevant details are:

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Land Revenue	70	28	16
State Excise Duties	1,57	1,77	1,74
Taxes on Vehicles	1,10	1,25	1,30
Sales Tax	8,68	8,83	9,79
Other Taxes and Duties	2,96	3,08	3,17
Stamps	4,70	5,11	5,27
Registration fees	16	14	14
TOTAL	19,87	20,46	21,57

Land Revenue.—The decrease in the Revised as well as the next Budget is due to the receipts arising in Himachal Pradesh, Manipur and Tripura accruing to the Consolidated Funds of those Territories consequent on their constitution into Union Territory Governments with effect from the 1st July, 1963. From 1st December, 1963 the receipts arising in the former Naga Hills and Tuensang Areas accrue to the new

State of Nagaland. Budget next year represents the receipts in Delhi, Dadra and Nagar Haveli, Andaman-Nicobar and Laccadive-Amindivi Minicoy Islands.

State Excise Duties.—The increase in the Revised represents the larger realisations from the duty on indigenous wines and spirits and the licence fees for sale of foreign liquor partly counterbalanced by the decrease due to receipts in Himachal Pradesh, Tripura and Manipur and Nagaland accruing to their respective Consolidated Funds from 1st July, 1963 and 1st December, 1963 respectively. The slight decrease next year is due to the absence here of the receipts of the new Union Territory Governments and Nagaland.

Taxes on Vehicles.—The rise in the revised as also next Budget reflects the increase in the number of vehicles, particularly at Delhi, partly counterbalanced by the absence here of receipts of the Union Territory Governments and Nagaland.

Sales Tax.—The receipts are placed slightly higher at Rs. 8·83 crores this year as compared to the original estimate of Rs. 8·68 crores, due mainly to the increase in the sales tax on luxury goods during the year. The next Budget at Rs. 9·79 crores takes into account the full year's effect of the changes in the Central Sales Tax Act, from the 1st July, 1963 and the increase in the sales tax on luxury goods.

Other Taxes and Duties.—The receipts represent mainly the proceeds of Terminal, Entertainment and Betting Taxes in Delhi. The progressive increase reflects the increasing realisations from the Terminal Tax as also the Entertainment Tax. The Terminal Tax is collected through the agency of the Delhi Municipal Corporation, the net proceeds being paid to it and other local authorities within the Union Territory of Delhi. The net proceeds of the Entertainment Tax and the bulk of the Betting Tax are also made over to the Corporation and other local authorities, provision for the purpose in all cases being included in the Expenditure Estimates.

Stamps.—The increase both in the Revised and the next Budget is mainly due to the rising demand for Postal and Excise Duty stamps printed at the Security Press, Nasik.

Debt Services: Interest Receipts.—The relevant details are:

(Rupees in Lakhs)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
(i) Interest from State and Union Territory Governments	1,00,00	98,00	1,13,00
(ii) Interest from Railways	68,96	71,13	78,70
(iii) Interest from Posts and Telegraphs	5,71	6,12	7,05
(iv) Other Interest Receipts	42,38	45,21	53,39
TOTAL	2,17,05	2,20,46	2,52,14

The Revised indicates the interest recoveries to be realised from the State Governments in the current year on the basis of the latest assessment. The increase next year besides providing for arrear recoveries reflects the growing volume of loans advanced to the States. The total amount of loans from the centre outstanding against the State and Union Territory Governments at the end of the current year is expected to be of the order of Rs. 30,37 crores.

The increase in the interest receipts this year from the Railways and the Posts and Telegraphs is consequential to the increased capital at charge at the end of 1962-63 as also during the current year. Further increase in the capital at charge and also the increase in the rate of interest chargeable to commercial departments from 3·75 per cent to 3·82 per cent explains the increase in the Budget next year.

The estimates under 'other interest receipts' include Rs. 17·86 crores from the Hindustan Steel Limited. The loans and advances to this Company upto 31st March, 1962 were consolidated into a single loan as on the 1st April, 1962 which carries interest at 5 per cent and is repayable after 20 years, the interest for the earlier period being waived. The rest of the provision represents the interest on the loans advanced to the various public sector undertakings. The increase in the Revised is mainly due to the interest paid by Air India on its debenture capital (Rs. 60 lakhs), Oil India on its debentures (Rs. 60 lakhs) and a number of other concerns in the public sector. The debenture capital of the Air India, which amounts to half of its total capital provided by Government carries a moratorium on payment of interest upto 1st October, 1966, in consideration of an agreement with certain US commercial banks, from whom Air India has obtained a loan for its Boeing project. However, the Air India having made profits has decided to pay the interest from the current year. A part of the increase in the Revised is also due to the larger interest earned on the investments of the cash balances of the High Commission in UK and of the India Supply Mission in USA while the further increase next year is consequential to the growing volume of loans advanced to Public Sector undertakings.

Administrative Services.—The details by major heads of account are given below:—

(In lakhs of Rs.)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
Administration of Justice	26	26	27
Jails	3	3	3
Police	44	50	56
Supplies and Disposals	4,00	5,74	6,17
Miscellaneous Deparments	2,03	1,72	1,95
TOTAL	6,76	8,25	8,98

Police.—The increase both in the Revised and the next Budget is mainly due to the payments made by the State Governments for the Central Reserve Police battalions lent to them as also the charges for the supply of Police guards to commercial departments, Municipal Corporation, etc. A part of the increase occurs under receipts from the

Arms Act. This Act is administered by the States on behalf of the Centre, the receipts being made over to them as cost of administration.

Supplies and Disposals.—The increase in the Revised as well as the next Budget is mainly due to larger receipts on account of fees and departmental charges for purchase and inspection of stores by the Central Purchase Organisations, particularly for the Defence Services.

Miscellaneous Departments.—The fall in the Revised is due mainly to lesser receipt of fees for registration of joint stock companies and other realisations under the Companies Act and the Insurance Act. The increase next year is largely on account of fees for renewal of Trade marks.

Social and Developmental Services.—Details by major heads of account are as follows:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Education	63	49	48
Medical	54	59	59
Public Health	20	23	21
Agriculture	1,68	1,68	1,67
Animal Husbandry	30	27	27
Co-operation	3	3	4
Industries	19,53	16,89	14,84
Broadcasting	4,16	4,20	4,36
Community Development Projects, National Extension Service and Local Development Works	5	3	3
Miscellaneous Social and Developmental Organisations	4,49	4,84	5,64
TOTAL	31,61	29,25	28,13

This group head shows a decrease of Rs. 2·36 crores this year and a further decrease of Rs. 1·12 crores next year due mainly to lesser receipts from the surcharge on iron and steel which are adjusted under the head 'Industries'. This surcharge which represents the differences between the equalised selling price and the retention price determined on the recommendations of the Tariff Commission is transferred to the Iron & Steel Equalisation Fund in terms of the Iron & Steel Control Order, provision for the purpose being made in the Expenditure Estimates. As against the original estimate of Rs. 18·3 crores, the receipts from the surcharge are placed at Rs. 16 crores this year and Rs. 14 crores next year. As a part of the Budget proposals, the surcharge on iron and steel has since been replaced by an increase in the effective rates of excise duty on pig iron and certain steels and steel products. The receipts from surcharge next year will consequently be on account of arrear collections only and are estimated to amount to Rs. 7 crores.

The decrease under 'Education' both in the current Revised and the next Budget is due to the receipts in the new Union Territory Governments accruing to their respective Consolidated Funds. The slight increase under 'Medical' in Revised is mainly due to larger receipts following the expansion of the Contributory Health Scheme and recovery of unutilised grants paid in the previous year. A special receipt from the World Health Organisation on account of travelling allowance explains the slight increase in the Revised under "Public Health" and its absence the fall in the next Budget. The estimates under "Agriculture" mainly comprise the receipts of the Agricultural Research Institutes, the Suratgarh Mechanised Farm and the charges for the fumigation of cotton. The fall under Animal Husbandry is consequent on lesser receipts of the Veterinary Research Institute. The rise in receipts under Broadcasting reflects the realisation of larger radio licence fees. Larger receipts of the Films Division, the Dairy Department, the Atomic Energy Department and from import licence fees partly counterbalanced by short fall in the receipts of the Indian Bureau of Mines and the Director of Exhibitions account for the increase in the Revised under "Miscellaneous Social and Developmental Organisations". The further increase next year under this head is mainly due to a receipt of Rs. 90 lakhs anticipated by the Atomic Energy Department from the sale of Beryl ore.

Multipurpose River Schemes, Irrigation and Electricity Schemes.—Relevant details are:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
(*i*) Multi-purpose River Schemes and Irrigation, Navigation, etc., Works	3	4	5
(*ii*) Electricity Schemes	42	11	6
TOTAL	45	15	11

The estimates under Multi-purpose River Schemes, etc. relate mainly to the receipts of the Central Water and Power Research Station at Poona.

The decrease under Electricity Schemes is consequential to the receipts in Himachal Pradesh, Manipur and Tripura accruing to their respective Consolidated Funds.

Public Works.—The Public Works receipts represent mainly the recoveries of rents, etc. for Government property. The estimates are based on the trends of actuals and likely realisations, due allowance being made for the receipts of the new Union Territory Governments accruing to their respective Consolidated Funds. The Public Works receipts are accordingly estimated at Rs. 3·77 crores this year and Rs. 3·75 crores next year as against the current Budget of Rs. 4·38 crores.

Transport and Communications.—The relevant details are:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Ports and Pilotage	48	50	55
Mercantile Marine	9	11	11
Lighthouses and Lightships	1,11	1,14	1,09
Aviation	1,17	1,94	2,00
Road and Water Transport Schemes	1,61	51	5
Overseas Communications Service	3,00	3,00	3,01
TOTAL	7,46	7,20	6,81

The decrease in the Revised under this Section is the net result of the receipts of the Road Transport Services in Himachal Pradesh and Manipur accruing to their respective Consolidated Funds with effect from the 1st July, 1963, partly counterbalanced by the receipts of the Central Road Transport Organisation which was set up for ensuring speedy movement of supplies to Assam and North Bengal Areas and increased aviation receipts, mainly landing fees. The slight increase in the Revised under 'Lighthouses and Lightships' is due to a special receipt from the U.K. Government on account of India's share in the dues and reserve funds relating to the Minicoy Light House following the *de-jure* transfer of the administration of the lighthouse, the *de-facto* transfer having already taken place in April, 1956.

The further decrease in the next Budget is mainly due to the absence of receipts of the Central Road Transport Organisation which is being converted into a Limited Company and of the special receipt under Light houses and Lightships.

Currency and Mint.—The main items that comprise Currency and Mint receipts are:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Currency and Coinage :			
1. Surplus profits of the Reserve Bank	44,50	44,50	40,0
2. Value of one rupee note forms.	1,75	1,63	1,90
3. Other receipts from the Currency Note Press	2,57	1,85	2,31
4. Profits from current circulation of small coins	7,20	7,00	7,20
5. Transfer of the profits outstanding under the suspense head "Profits on Coinage"	15,00	..	..
6. Miscellaneous receipts	2	9	3
TOTAL	71,04	55,07	51,44
Mint :			
Miscellaneous Mint receipts	22	33	27
Kolar Gold Mines :	2,42	1,97	2,02
GRAND TOTAL	73,68	57,37	53,73

The surplus profits of the Reserve Bank transferable to Government are placed at Rs. 44·5 crores this year and Rs. 40 crores next year, the decrease next year being mainly due to the decision that the Reserve Bank should contribute to the National Industrial Credit (Long Term Operations) Fund which is being constituted for advancing loans to industries.

The decrease in the indent for one rupee and Bank notes explains the fall under 'Value of one rupee note forms' and 'Other receipts from the Currency Notes Press' in the Revised. Next Budget allows for improvement to cope with the likely demand for Bank and one Rupee notes.

The profits from the current circulation of small coins are now estimated at Rs. 7 crores this year and Rs. 7·2 crores next year as against the current Budget of Rs. 7·2 crores and are based on the number of coins of various denominations which are expected to be put into circulation. The accounting procedure followed since 1956-57 is that the expenditure on purchase and acquisition of metal for coinage is charged to Capital, and the difference between the face value and the metallic content of the coins put into circulation is adjusted as profit. Likewise the difference between the face value and the metallic content of the coins returned as unfit for reissue and melted is treated as a loss and debited to the expenditure estimates.

A sum of Rs. 67·14 crores outstanding under the suspense Head "Profits from circulation of nickel, bronze and copper coins" and "Purchase and sale of Silver" to which the net profit on coins put into circulation was credited prior to 1956-57 was transferred to a new Suspense Head "Profits on Coinage" to be utilised as a Deficit Neutralisation Reserve. Accordingly, a sum of Rs. 10 crores was transferred to Revenue in each of the years 1959-60 and 1960-61. The current Budget provides for a transfer of Rs. 15 crores on this account which, however, in view of the emerging Revenue Surpluses in both the years will not now be required.

The increase both in the Revised and the next Budget as compared to the current Budget under 'Miscellaneous Mint Receipts' is due to the sale of electrolytic copper not anticipated originally.

The value at the official rate of Rs. 53·58 per 10 grammes of gold extracted from the Kolar Gold Mines and adjusted as receipts under this Section by per contra debit to "Capital Outlay on Currency & Coinage" is expected to amount to Rs. 1·87 crores this year as against the original estimate of Rs. 2·33 crores, the fall being due to rock-bursts and fire which hampered production. Next Budget allows for increased production and places the receipts at Rs. 1·94 crores. The rest of the estimates here represents miscellaneous receipts.

Miscellaneous.—The details are :—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget 1964-65
Contributions and Recoveries towards Pensions and other retirement benefits	97	1,23	2,02
Stationery and Printing	76	75	74
Opium	4,51	3,92	3,37
Forest	4,82	1,93	1,75
Miscellaneous	13,87	9,65	9,41
TOTAL	24,93	17,48	17,29

The increase in the Revised under 'Contributions and Recoveries' towards pensions and other retirement benefits is mainly due to larger number of Government servants deputed for service in Government owned autonomous undertakings. A part of the increase is also due to the adjustment of the pensionary contributions for the employees of the Kolar Gold mining undertaking which was taken over by the Government of India with effect from the 1st December, 1962. The practice followed in such cases is that the commercial undertakings liquidate their pensionary liability concurrently by paying contributions which are adjusted under this head, the pensions in due course being payable in the same manner as for other Government employees, provision for the purpose being made in the Expenditure Estimates. The Kolar gold mining undertaking before it was taken over by the Government of India had a Pension Fund which will consequently, be wound up, the balance thereunder being taken to this head in the next year's accounts, which explains the large increase in the Budget next year.

The decrease in the Opium receipts both during the current Revised and the next Budget is due to the fall in prices abroad during the year and keen competition from other countries.

The decrease in the estimates under Forest both in the Revised and the next Budget is consequential to the receipts in Himachal Pradesh, Manipur and Tripura accruing to their respective Consolidated Funds with effect from the 1st July, 1963.

The main items under "Miscellaneous" are:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Receipts in Goa, Daman & Diu	5,30	1,49	..
Receipts in Pondicherry	2,60	55	..
Rehabilitation receipts	3,35	3,46	3,00
Other receipts	2,62	4,15	6,41
TOTAL	13,87	9,65	9,41

Pondicherry and Goa, Daman and Diu have been constituted into Union Territory Governments with their own Consolidated Funds from 1st July, 1963 and 20th December, 1963 respectively. With effect from these dates, the receipts relating to subjects falling within the State List will accrue to the Consolidated Funds of the respective Territories and those relating to Central subjects will be accounted for under the respective heads of account. This explains the decrease in the Revised and absence of estimates in the next Budget.

The Rehabilitation receipts mainly consist of sale proceeds of evacuee property and cash balances of custodians which are transferred to the Compensation Pool. The Revised is based on the trends of realisations, while the next Budget reflects the decrease in receipts anticipated from this source.

The increase in the Revised under 'Other Receipts' is due to a number of items including refund of unutilised grants by State Governments, gain

by exchange on dollar transactions, unclaimed deposits and fees for Government Audit. The further increase in the next Budget is due to the transfer to Revenue of the credit balances under two State Trading Schemes, *viz.*, Civil Transport Scheme (Rs. 2·97 crores) and Scheme for Chartering and running of Steamers for Coastal Trade (Rs. 5 lakhs) both of which have been closed. Under the Civil Transport Scheme which was operated during the Second World war and was closed at the end of 1947, transport vehicles, motor cycles, spare parts and garage tools etc. were procured and distributed to essential civil users. Their prices were so fixed as to leave a small margin to cover fluctuations. Under the Scheme for chartering and running of steamers for Coastal Trade, three vessels were chartered during the last war by the Government of India from the Government of U.K. for relieving the acute shortage of tonnage for cargo and passenger traffic on the West Coast. The credit balances represent the net profits on the two schemes and will be transferred to Revenue by *per contra* debit to the head 'State Trading Schemes' in the Capital Section.

Contributions and Miscellaneous Adjustments.—The details are :—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget 1964-65
(*i*) Contribution from Railway	24,15	23,90	24,53
(*ii*) Contribution from P. & T.	1,11	1,19	1,38
(*iii*) Dividends etc., from commercial and other undertakings	2,40	4,02	5,17
TOTAL	27,66	29,11	31,08

Contribution from Railways.—The Railway Convention Resolution 1960 which took effect from 1st April 1961 required the Railways to pay to the General Revenues a consolidated dividend of 4·25 per cent per annum on their capital at charge after excluding the following:

(a) Capital expended on unremunerative strategic lines.

The annual loss on the working of such lines is also to be borne by General Revenues.

(b) Capital expended on new lines.

Such capital is to carry a moratorium during the period of construction and five years thereafter, the normal dividend being payable from the 6th year onwards together with deferred interest at the rate chargeable to commercial departments for the period of moratorium, the latter out of the net earnings of the lines.

(c) Overcapitalisation in Railway capital.

This is to carry interest at the rate chargeable to commercial departments.

(d) Capital expended on the North-East Frontier Railway until the latter becomes productive or the next Convention Committee reviews the position, whichever is earlier.

This is to carry interest at the rate chargeable to commercial departments.

The rate of dividend payable by the Railways was, reviewed last year and increased to 4½ per cent with effect from the 1st April, 1963. It has since been decided to apply a rate of 5¾ per cent per annum but this will apply only to the new capital to be advanced to the Railways with effect from the 1st April, 1964.

Consequent on the abolition of the Tax on Railway Fares and its merger with the basic fares with effect from 1st April, 1961, the Railways have been paying a fixed contribution of Rs. 12·5 crores per annum since 1961-62. This fixed contribution which would continue until 1965-66 is distributed among the States as an *ad hoc* grant in lieu of the loss accruing to them as a result of the abolition of the Tax on Railway fares, provision for the purpose being made in the expenditure estimates. The share of each State as recommended by the Third Finance Commission is as follows :

State	(Rs. in crores)
Andhra Pradesh	1·11
Assam	0·34
Bihar	1·17
Gujarat	0·68
Kerala	0·23
Madhya Pradesh	1·04
Madras	0·81
Maharashtra	1·35
Mysore	0·56
Orissa	0·22
Punjab	1·01
Rajasthan	0·85
Uttar Pradesh	2·34
West Bengal	0·79
	12·50

The dividend payable by the Railways this year after deduction of the loss on strategic lines is now estimated at Rs. 82·53 crores as against Rs. 80·61 crores assumed in the original Budget, the improvement being due to larger capital outlay both during 1962-63 and in the current year than originally anticipated. The next year's dividend is placed at Rs. 90·73 crores in view of the increase in the capital at charge and also in the rate of dividend as explained earlier. Of the total dividend, the element attributable to interest calculated at the rate chargeable to commercial departments together with the deferred interest on new lines, the interest on over capitalisation and that on the North-East Frontier Railway, is adjusted under the Interest head. The balance after deduction of the loss on strategic lines but including the contribution towards *ad hoc* grants in lieu of tax on railway fares, is adjusted under this head.

The details are as follows:

(in crores of Rs,)

	Budget 1963-64		Revised 1963-64		Budget 1964-65	
	Interest	Contribution	Interest	Contribution	Interest	Contribution
Dividend on Capital at charge	61·08	11·82	61·77	12·36	70·20	13·72
Interest on over-capitalisation and Capital of N.E.F. Railway	7·88	—	7·94	—	8·27	—
Deferred Interest and other arrear adjustments	—	—	1·42	0·05	0·23	—
Payment in lieu of Tax on Railway fares	—	12·50	—	12·50	—	12·50
Less—Loss on Strategic lines	—	(—)0·17	—	(—)1·01	—	(—)1·69
TOTAL	68·96	24·15	71·13	23·90	78·70	24·53

Contribution from Posts & Telegraphs.—Prior to 1960-61, the surplus of the Posts & Telegraphs Department, after payment of interest on the capital at charge, was merged with the General Revenues. A part of the surplus was treated as an outright contribution to General Revenues and the balance retained proforma by the Department on which abatement of interest was allowed. As these arrangements did not allow sufficient scope to the Department for utilising its surplus earnings to meet its growing needs, it was decided that with effect from the 1st April, 1960 the P. & T. Department may be placed in the same position as the Railways. Accordingly, the Department now pays, like the Railways, a dividend to the General Revenues at the rate in force from time to time for the Railways, the balance of the surplus being retained by the Department for strengthening its reserves. While the P. & T. Department has no claim on its share of the accumulated surpluses for the period prior to 1st April, 1960 amounting to Rs. 29·67 crores, an abatement of an equivalent amount in the capital at charge is allowed in calculating the dividend payable to the General Revenues.

The provision for transfer to the Renewals Reserve Fund was hitherto treated as an appropriation of the surplus, but with effect from the next year, would as in the case of Railways, be debited to their working expenses the net surplus being appropriated to the Development and the Revenue Reserve Funds.

Statement V gives the financial results of the working of the Posts and Telegraphs Department. Briefly the position is as under :

(In lakhs of Rs.)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
Gross Receipts	1,07,51	1,14,00	1,27,00
Working Expenses	87,54	90,29	114,89
Surplus	19,97	23,71	12,11

The increase in the gross receipts in the **Revised is** mainly due to larger sale of stamps, more realisation of advance rentals under 'Own-your-own Telephone Scheme' and larger receipts on account of rentals of wires leased to Railways, larger receipts under other items due to increase in traffic. Budget next year allows for progressive increase in revenue.

The increase in the Working Expenses in the Revised is due mainly to the larger requirements under pay and allowances and contingencies for additional staff sanctioned to cope with the work and for house rent and compensatory allowances consequent upon the upgrading of certain cities from 1st January, 1964. A part of the increase is also due to larger provision for maintenance of assets, petty and other works met out of Revenue and transfer to Telephone Development Fund of larger receipts from advance rentals under the 'Own-your-own Telephone Scheme'. The further increase in the next Budget is mainly due to the contribution to the Renewals Reserve Fund being provided as Working Expenses, upward revision of limits for allocation of Works expenditure to Revenue and increase in the rates of dearness allowance with retrospective effect from 1st July, 1963.

The surplus mentioned above will be utilised as follows :—

(In lakhs of Rs.)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
Payment of dividend to General Revenues . . .	6,82	7,31	8,43
Appropriation to Renewals Reserve Fund . . .	13,15	10,00	..
Appropriation to Development Fund	..	2,50	1,75
Appropriation to Revenue Reserve Fund . . .	..	3,90	1,93
TOTAL	19,97	23,71	12,11

The increase in the dividend payable this year is due to the capital at charge at the end of 1962-63 and during the current year being larger than anticipated. The further increase next year is consequential to the further increase in the capital at charge as also the higher rate prescribed, *viz.* 5¾ per cent, for capital provided with effect from the 1st April, 1964 as on the Railways.

The decrease in the Revised in the Appropriation to the Renewals Reserve Fund is due to the post-Budget decision to limit the contribution to a percentage of the cost of the assets based on their estimated lives plus an *ad hoc* amount towards arrears, the balance of the surplus being appropriated to the Development Fund and the Revenue Reserve Fund. Following the decision to treat the contributions to the Renewals Reserve Fund as Working Expenses, the net surplus after payment of dividend will be appropriated next year to the Development and Revenue Reserve Funds.

Of the total dividend payable by the P. & T. Department, Rs. 6·12 crores this year and Rs. 7·05 crores next year will be adjusted as interest receipts. The balance of Rs. 1·19 crores this year and Rs. 1·38 crores next year will accrue as contribution to General Revenues. The increase in interest charges is attributable to the increase in the mean capital at charge and upward revision of the average rate of interest chargeable to Commercial Departments from 3·75 per cent this year to 3·82 per cent next year.

Dividends, etc. from commercial and other undertakings.—The dividends from the commercial and other undertakings, receivable by Government are placed at Rs. 4·02 crores during the current year and Rs. 5·17 crores during the next year as against the current Budget of Rs. 2·40 crores. The increase in the Revised is mainly due to the dividend paid by the Oil India Limited (Rs. 1·26 crores) and Air India (Rs. 67 lakhs).

Next Budget assumes a credit of Rs. 1 crore on account of Government's share in the profits of the Life Insurance Corporation arising out of the fourth valuation for the period ending 31st December, 1963. This, together with the larger dividends anticipated from the Air India and the Hindustan Machine Tools explains the further increase in the estimate of dividends for next year.

The details of dividends earned from Government Commercial and Industrial undertakings are given in Annexure XV.

Extraordinary Items.—The details are :—

(In lakhs of Rs.)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
Extraordinary Receipts	45,00	64,74	1,40,31
Receipts connected with the National Emergency, 1962	36,00	29,86	3,00
TOTAL	81,00	94,60	1,43,31

Extraordinary Receipts These comprise :

(In lakhs of Rupees)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
Grants under P. L. 480	45,00	64,00	1,40,00
Receipts under Indus Waters Treaty	..	74	31
TOTAL	45,00	64,74	1,40,31

Grants under P.L. 480.—A major portion of the rupee payments made to the U.S. authorities for the import of agricultural commodities under P.L. 480 is intended to be made available to the Government of India for utilisation on approved projects. The credit for such receipts is taken under Revenue or Public Debt according as the amount received is in the form of grant or loan. Simultaneously, an equivalent amount is transferred to the Special Development Fund by debit to the Expenditure Estimates.

The procedure hitherto followed for the drawal of P.L. 480 Loans and Grants has been that the expenditure on the approved projects is incurred in the first instance in the normal manner, claims for reimbursement to the extent due under the Project Agreements entered into for the purpose being preferred quarterly with necessary documentation. As this arrangement resulted in considerable increase in work as also delay in obtaining reimbursement, it has now been decided in consultation with the U.S. Government to adopt the 'advance' basis for drawal whereby the amount of the loan or grant for the following year covered by any particular agreement will be made over to India on the signing of the agreement. This

change which is expected to result in a speedier drawal of loans and grants will be given effect to from the commencement of the next year.

The current year's Budget includes a provision of Rs. 45 crores as grant from the U.S. Government under the PL 480 Aid programme. On the basis of the latest estimates and progress of expenditure on the projects selected for assistance, the grant likely to be received during the current year is now estimated at Rs. 64 crores. Following the change over to the advance system of drawal, the grant likely to be received during the next year is estimated at Rs. 140 crores.

Receipts under Indus Waters Treaty.—These represent the proportionate working expenses for certain head works and carrier channels payable by Pakistan under the Indus Waters Treaty. The Revised includes adjustment in respect of the payments relating to the previous year.

Receipts connected with the National Emergency.—These consist mainly of Emergency Risks Insurance premiums and amounts transferred from the National Defence Fund.

The Emergency Risks Insurance premiums represent the realisations on account of premiums payable under the Emergency Risks (Goods) and (Factories) Insurance Acts. These Acts which were enacted during 1961-62 in the circumstances created by the Emergency provide for the compulsory insurance of goods with certain exceptions and of factories and inland vessels in addition to any other insurance which may be available in the normal course. The insurance schemes were brought into operation with effect from the 1st January, 1963 all over India, the premiums being initially fixed at 15 nP. per Rs. 100 of insurable value of goods and 25 nP. per Rs. 100 of insurable value of factories. The rates were reduced to 10 nP. and 15 nP. respectively with effect from the 1st April, 1963 and on that basis the receipts for the current year were placed at Rs. 9:8 crores and Rs. 23·2 crores on account of goods insurance and factories insurance respectively. The rates were further reduced to 7½ nP. and 11¼ nP. respectively for the quarter commencing 1st July, 1963, and 6 nP. and 10 nP. respectively for the quarter commencing 1st October, 1963. The levy of the premium has since been suspended with effect from the quarter commencing 1st January, 1964. The receipts during the current year are accordingly now estimated at Rs. 4·75 crores on account of goods insurance and Rs. 9·95 crores on account of factories insurance, the receipts during the next year being placed at Rs. 1 crore and Rs. 2 crores respectively on account of arrears. These receipts are initially credited to the Consolidated Fund as Revenue Receipts and a corresponding amount is transferred to the Emergency Risks Insurance Funds after including a specific provision for the purpose in the Expenditure estimates.

The National Defence Fund Committee authorised the utilisation of Rs. 8 crores during 1962-63 and Rs. 14·93 crores during the current year out of the contributions to the National Defence Fund for purchase of Defence equipment. The amounts so transferred to cover a part of the expenditure incurred out of the Defence estimates are adjusted under this head.

STATEMENT IV

STATEMENT SHOWING STATE-WISE DISTRIBUTION OF INCOME-TAX, UNION EXCISE DUTIES, ADDITIONAL EXCISE DUTIES, ESTATE DUTY AND GRANTS IN LIEU OF TAX ON RAILWAY PASSENGER FARES.

(In lakhs of Rupees)

State	Budget Estimates, 1963-64					Revised Estimates, 1963-64					Budget Estimates, 1964-65				
	Income Tax	Union Excise Duties	Additonal Excise Duties	Estate Duty	Grants in lieu of Tax on Railway Passenger Fares	Income Tax	Union Excise Duties	Additional Excise Duties	Estate Duty	Grants in lieu of Tax on Railway Passenger Fares	Income Tax	Union Excise Duties	Additional Excise Duties	Estate Duty	Grants in lieu of Tax on Railway Passenger Fares
Andhra Pradesh	7,55	7,44	3,38	35	1,11	9,22	7,60	3,16	37	1,11	8,27	7,77	3,41	62	1,11
Assam	2,39	4,27	1,18	10	34	2,90	4,37	1,11	11	34	2,62	4,46	1 19	19	34
Bihar	9,14	10,45	2,63	40	1,17	11,06	10,68	2,34	45	1,17	10,01	10,91	2,65	76	1,17
Gujarat	4,68	5,83	3,95	18	68	5,76	5,96	3,79	20	68	5,13	6,09	3,97	34	63
Jammu and Kashmir	69	1,83	71	3	..	90	1,87	66	3	..	75	1 91	71	6	--
Kerala	3,48	4,93	1,52	16	23	4,33	5,04	1,39	18	23	3,81	5,15	1,53	31	23
Madhya Pradesh	6,28	7,64	2,48	29	1,04	7,69	7,81	2,28	31	1,04	6,88	7,98	2,50	53	1,04
Madras	7,96	5,49	4,05	36	81	9,72	5,61	3,79	38	81	8,73	5,74	4,08	63	81
Maharashtra	13,14	5,18	7,79	36	1,35	15,62	5,29	7,48	39	1,35	14,39	5,41	7,83	66	1,35
Mysore	5,02	5,26	1,79	22	56	6,19	5,37	1,55	23	56	5,51	5,49	1,72	39	56
Nagaland	..	...	..	..	..	5	3	1	*	..	16	9	2	*	..
Orissa	3,37	6,39	1,45	15	22	4,13	6,53	1,32	16	22	3,69	6,67	1,46	29	22
Punjab	4,40	6,06	2,45	18	1,01	5,32	6,20	2,30	20	1,01	4,82	6,33	2,47	34	1,01
Rajasthan	3,89	5,36	1,43	17	85	4,75	5,48	1,32	19	85	4,26	5,59	1,46	33	85
Uttar Pradesh	14,12	9,65	7,82	63	2,34	17,40	9,86	7,37	69	2,34	15,48	10,08	7,87	1,20	2,34
West Bengal	11,84	4,58	4,00	30	79	14,25	4,68	3,74	33	79	12,98	4,78	4,04	57	79
TOTAL	97,95	90,36	46,54	3,88	12,50	1,19,29	92,38	43,61	4,22	12,50	1,07,49	94,45	46,92	7,22	12,50

Share of N agaland is Rs. 8 thousand for 1963-64 and Rs. 20 thousand for 1964-65.

ESTIMATES OF EXPENDITURE MET FROM REVENUE

A mention has been made in paragraph 6 of the Introductory Note about the difference in treatment in figures shown in the Demands for Grants and those included in the Annual Financial Statement as summarised in Statement No. I. While the Demands for Grants are for the actual expenditure exclusive of recoveries, the figures in Statement No. I are for net expenditure after adjustment of the recoveries. The statement below reconciles the figures given in the Demands and those shown in Statement No. I.

(In lakhs of Rs.)

	Budget Estimate, 1963-64	Revised Estimate, 1963-64	Budget Estimate, 1964-65
Total gross expenditure met from Revenue as shown in the demands for grants	20,78,82·42	20,68,93·23	22,99,02·42
Deduct—			
(*a*) Recoveries (shown in Annexure XI) adjustable in reduction of gross expenditure and taken into account in working out the net expenditure shown in Statement I	1,01,31·89	1,08,39·18	1,12,85·36
(*b*) Receipts of the Defence Services taken into account in working out the net expenditure on Defence Services shown in Statement I. .	17,59,40	21,20,41	17,86·10
(*c*) Expenditure on Posts and Telegraphs Department (including dividend and appropriation from Surplus)	1,07,51·00	1,14,00·00	1,27,00·00
TOTAL—DEDUCTIONS . .	2,26,42.29	2,43,59·59	2,57,71·46
Total expenditure shown in Statement I of this Memorandum	18,52,40.13	18,25,33·64	20,41,30·96

A Summary of the Expenditure Estimates by broad categories is given in Statement No. I at the commencement of this Section. Further details by heads of account together with brief notes explaining the variations between the current budget, the revised estimates and the next budget are given in the notes below.

As explained earlier, these figures do not agree with those shown in the individual Demands. This is due to two factors. In the first place, in most cases, the same major head appears in more than one Demand and secondly, while recoveries are taken in the accounts in reduction of expenditure, the figures in the Demands are for gross expenditure excluding recoveries.

COLLECTION OF TAXES, DUTIES AND OTHER PRINCIPAL REVENUES

The expenditure under this group head is mostly on tax collection by the Union and in respect of Union Territories and Tribal Areas. The share of Union Excise Duties payable to the State Governments under

Article 272 of the Constitution has been transferred to Section "Contributions and Miscellaneous Adjustments" with effect from 1st April 1961. Likewise, the provision for the payment of the net proceeds of certain taxes and duties, such as, Terminal Taxes, Entertainment Taxes, Taxes on Vehicles, etc. to local bodies has been transferred from this group head to the head "Other Miscellaneous Contributions and Assignments" in Section "Contributions and Miscellaneous Adjustments".

Details by heads of account are given below:—

(In lakhs of Rs.)

Heads	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Customs	4,18	4,15	4,64
Union Excise Duties	8,53	8,77	9,07
Corporation Tax	57	77	81
Income Tax	5,91	5,87	6,69
Estate Duty	9	9	10
Taxes on Wealth	30	25	27
Expenditure Tax	..	1	..
Gift Tax.	3	2	3
Land Revenue	68	27	7
State Excise Duties	6	4	3
Taxes on Vehicles	5	4	4
Sales Tax	15	14	16
Other Taxes and Duties	23	22	25
Stamps	3,03	3,02	3,17
Registration Fees	2	1	1
TOTAL	23,83	23,67	25,34

Customs.—Besides normal growth, budget next year includes Rs. 16 lakhs for the new customs posts set up in the Union Territory of Goa, Daman and Diu in October, 1963 and Rs. 25 lakhs for the purchase of launches.

Union Excise Duties.—Larger provision for the printing of banderols to cope with the demands of the match industry and less recovery from customs Department account for the increase in the Revised. Budget provides for normal increments, etc.

Corporation Tax, Income-tax, Estate Duty, Taxes on Wealth, Expenditure Tax and Gift Tax.—All the taxes mentioned above are administered by a single Department, *viz.* the Income Tax Department. The entire charges for collection have, therefore, to be suitably allocated over the other heads. Up to 1961-62 the charges were distributed in proportion to the total collections. As this method of allocation was considered inequitable, a revised formula was applied with retrospective effect from 1955-56 after consultation with the Comptroller & Auditor-General. The cost of collection is now computed at 0:29 per cent of the total collections of Corporation Tax and 2:038 per cent of the total collections under Estate Duty, the balance of the expenditure being distributed amongst

the remaining heads in proportion to the gross revenue collections in respect of those heads.

Increase in the Revised is due mainly to the strengthening of the Department to cope with the additional work relating to Super Profits Tax, Additional Surcharge on Income-tax and Compulsory Deposits. Besides normal increments, Budget reflects full year's effect of the posts sanctioned during the current year. A part of the increase in both the years is also attributable to the upgrading of certain cities and the consequential payment of house rent and compensatory city allowances.

Land Revenue, State Excise Duties and Taxes on Vehicles.—The drop in both the years is due to the setting up of the Union Territory Governments in Himachal Pradesh, Manipur and Tripura with separate Consolidated Funds of their own with effect from 1st July 1963.

Sales Tax and Other Taxes and Duties.—The bulk of the expenditure relates to Delhi. Budget next year in both cases provides for normal growth.

Stamps.—Increase next year is due mainly to larger provision for purchase of stores to meet the growing demand for the products of the India Security Press.

DEBT SERVICES

Details by heads of account are given below:—

(In lakhs of Rupees)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Interest on Debt and other Obligations	2,75,24	2,77,06	3,13,41
Appropriation for reduction or avoidance of Debt	5,00	5,00	5,00
TOTAL	2,80,24	2,82,06	3,18,41

Interest on Debt and other Obligations. The broad details are:—

(In lakhs of Rupees)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Debt raised in India	1,06,45	1,05,03	1,17,40
Debt raised outside India	59,40	59,33	76,55
Floating Debt	33,00	32,00	34,00
Savings Bank, Cash Certificates, National Defence Certificates, etc.	39,68	43,72	44,58
States Provident Funds	14,53	15,16	16,72
Railway Funds	3,96	4,55	5,68
Other Item	18,22	17,27	18,48
TOTAL	2,75,24	2,77,06	3,13,41

Debt raised in India.—The original Budget had assumed the receipts from new market loans at Rs. 393 crores including Rs. 100 crores to be raised on behalf of the State Governments. Actual realisations in the current year have amounted to Rs. 367 crores only. Further, provision for interest on the new market borrowings was made on the assumption that they would carry an average rate of 4¼ per cent per annum. Of the three market loans, *viz.*, 4% Loan 1969, 4½% Loan 1986, and 4¼% Loan 1973, by far the major subscriptions were for the short dated 4% Loan 1969 with the result that the average rate turned out to be a little less than the rate assumed earlier. These factors account for the saving in the provision for interest payment in the current year.

The increase next year is due to the provision for the interest on the new market loan of Rs. 300 crores which has again been assumed at 4¼% per annum, the full year's effect of the interest payable on the market loans floated in the current year and for the conversion of *ad hoc* treasury bills of the value of Rs. 75 crores into dated securities on the 22nd January, 1964.

Debt raised outside India.—The details are:—

(In lakhs of Rs.)

Heads of Expenditure	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
(*i*) Sterling loans	10,74	11,17	12,01
(*ii*) Interest on Dollar Loans from I.B.R.D.	11,70	10,69	11,58
(*iii*) Interest on other American loans	10,64	10,09	11,36
(*iv*) Interest on loans from U.S.S.R.	2,45	2,94	4,31
(*v*) Interest on Canadian credit for purchase of wheat and capital goods	78	75	59
(*vi*) Interest on U. S. EXIM BANK credit	4,56	4,77	5,54
(*vii*) Interest on Japanese EXIM BANK credit	1,30	1,94	3,33
(*viii*) Interest on loans from the Federal Republic of Germany	8,19	8,59	10,62
(*ix*) Interest on P. L. 480 American loans	7,19	6,16	13,69
(*x*) Interest on loan from Kuwait	1,38	1,38	1,22
(*xi*) Interest on cost of stores received on deferred payment system	..	54	1,07
(*xii*) Other Items	47	31	1,23
TOTAL	59,40	59,33	76,55

(i) The increase in both the years is on account of the interest payable on the larger credits to be received from the Government of United Kingdom under the Export Credit Guarantee Agreements.

(ii) Provision has been made for payment of interest on account of Railway Project Loans, Bokaro Konar Loans (DVC I), Second and Third D.V.C. Loans, Koyna Project Loan, Coal Industry Loan and Beas Project Loan. The saving this year is partly attributable to the Railway (VII)

Loan being drawn from I.D.A. instead of from the World Bank, variations in the rate of exchange of foreign currencies and less requirements on account of Coal Industry and Beas Project Loans. The progressive increase in the drawal of loans during the two years accounts for the increased provision for interest next year.

(iii) This head accommodates provision for payment of interest on Development Assistance Loans, Loans from the U.S. Agency for International Development and U.S. President's Asian Economic Development Fund. Details of these loans are given in Annexure XIV. The saving of Rs. 55 lakhs is due to less drawal of loans than originally expected. Provision for payment of interest on loans to be negotiated in the current year and the next year accounts for the increase in the Budget.

(iv) Includes interest for the loans obtained from the U.S.S.R. for the various public sector projects, like Bhilai Steel Plant, Heavy Machine Building Plant, Optical Glass Factory, Coal Mining Machinery Plant, Barauni Petroleum Refinery, Neyveli Power Plant, Korba Thermal Power Station, etc. The increase in the Revised is due to earlier utilisation of credits than originally envisaged. Further increase next year is on account of payment of interest on the loans to be negotiated in the current as well as next year.

(v) Provision is made here for interest payments on the loan under the agreements signed with Canada in 1959 for a total sum of $33·8 million for the purchase of wheat and flour and also for Canadian credits for Rana Pratap Sagar Hydro-Electric Project, Indian Aluminium Company Extension and Locomotives and Candu Atomic Power Project. Absence of the arrear interest relating to 1962-63 paid in the current year explains the saving in the Budget next year.

(vi) This covers interest on loans from U.S. EXIM BANK under the various credit agreements for the purchase of U.S. equipment, machinery etc. for irrigation and reclamation, power, transport and communications, mining industries and machine tools and for the purchase of Boeing jets for Air India. The credits carry interest of 5¼% to 5¾% per annum. The increase this year is due to larger credits received than assumed earlier. The increase next year allows for the loans to be drawn during the two years.

(vii) Provision is made here for the interest on the credits of 18 billion Yen (Rs. 23·81 crores) and 28·8 billion Yen (Rs. 38·09 crores) under the agreements of 4th February, 1958 and 18th August, 1961 with EXIM BANK of Japan for the import of capital goods from that country. The amount of the latter loan has been increased to 34·2 billion Yen (Rs. 45·24 crores) from 23rd May, 1963. The first loan is repayable within 10 years and bears interest at a rate charged by the World Bank, which is at present 5½% per annum. The second credit is for a period of 15 years and bears interest at 6% per annum. The anticipated credits on account of these loans are Rs. 11·59 crores this year and Rs. 23 crores next year. These account for the larger payment of interest in both the years.

(viii) Includes provision for interest on the various West German credits mainly for Rourkela Steel Plant and for importing capital goods from that country. The credits expected are Rs. 29·7 crores this year and Rs. 27·57 crores next year as compared to the original Budget of Rs. 6 crores.

(ix) As compared to the original expectation of Rs. 60 crores, the P.L. 480 Loans to be made available by U.S. authorities are now estimated at Rs. 65 crores this year and Rs. 173 crores next year. The large increase next year is attributable to the change made in the procedure for the release of these loans on an "advance" basis, instead of in reimbursement of the actual expenditure on approved projects.

Non-utilisation of the provision for payment of interest due to the receipt of loans later than expected accounts for the saving in the current year. Budget provides for the payment of interest on the additional loans to be drawn during the two years.

(x) With the introduction of a new local currency, special Indian notes and Indian coins which were in circulation in Kuwait, were withdrawn from 1st April 1961. Under an agreement with the Government of Kuwait, the value of all Indian currency and coins transferred to India has been treated as loan to the Government of India. The loan is repayable in sterling in 11 annual instalments beginning from 1st July, 1961 and bears interest at the rate of 4¾%. The total interest payments on this account are Rs. 1·38 crores this year and Rs. 1·22 crores next year.

(xi) Prior to the current year, payments on account of stores and equipment received by Defence Services on deferred terms were debited to the Defence Budget directly as they fell due. In order, however, to reflect the debt liability properly for materials and stores received but not actually paid for, it has been decided that Defence Services estimates should take a debit for the full costs involved by *per contra* credit to the Public Debt; the annual repayment of principal and interest being debited to Public Debt and Interest respectively. The same procedure is proposed to be followed in the case of equipment received for border roads. Accordingly, provision has been made for the payment of interest of Rs. 54 lakhs this year and Rs. 1·07 crores next year in respect of Defence stores and equipment received on deferred terms from Canada, U.S.S.R. and Yugoslavia and for border roads from Japan and U.S.S.R.

(xii) This head covers interest on loans from Switzerland, Czechoslovakia, Yugoslavia, Poland, Austria, Belgium, Denmark, Holland, Rhodesia and Nyasaland and also for service charges at 3/4 per cent on credits obtained from the International Development Association which do not bear any interest. The decrease in the current year is due to less utilisation of credits than anticipated. Budget provides for the interest to be paid on credits likely to be received in both the years.

Floating Debt.—This head provides for the payment of interest on the treasury bills issued to the public, State Governments, State Bank of India and other parties and also in favour of the Reserve Bank of India for replenishing Government balances from time to time. Treasury Bills have a currency of 91 days and, unless discharged on maturity, are treated as having been repaid and simultaneously re-invested. The saving in the current year is due to a slower rate of issue of treasury bills following improvement in resources and shortfalls in expenditure. Budget next year provides for the interest payable on outstanding treasury bills, including the *ad hoc* bills to be issued to cover the over-all gap in that year after allowing for the saving caused by the conversion of bills of the value of Rs. 75 crores into dated securities in the current year.

Savings Bank, Cash Certificates and National Plan Savings Certificates.—The increase in the current year is mainly due to the adjustment of arrear interest on Post Office Savings Bank deposits relating to 1962-63 which could not be adjusted in the accounts for that year. A part of the increase is mainly attributable to the bonus payable in respect of National Plan Savings Certificates and National Defence Certificates sold in 1962-63 on which interest accrues after two years.

State Provident Funds.—The rate of interest allowed to the subscribers of these Funds, except some earlier subscribers who are entitled to a minimum rate of 4 per cent, is determined every year on the basis of the average redemption yield during the five calender years immediately preceding, on all Government of India rupee loans with unexpired maturity exceeding five years, rounded off to the nearest quarter. The rate remains unaltered at 4 per cent for both the years. Progressive growth in the amount of deposits explains the increase in both the years. A part of the increase is also attributable to the likely postponement of the withdrawals following increase in the age of retirement by three years.

Railway Funds.—The balances in these Funds earn interest from General Revenues at the average rate which is determined on the basis of total interest payable on all outstanding rupee loans including the annual write-back to revenue of the discount paid on loans floated in earlier years and the cost of management of public debt. The increase in the current year is due mainly to larger opening balance in the Railway Development Fund following the increased appropriation from the Revenue surplus of the previous year and more accretions to the Fund during the current year. Further improvement in the opening balances of the three Railway Funds as well as increase in the average rate of interest from 3·75 per cent to 3·82 per cent in the next year account for the increase in the Budget. A part of the increase is also due to the interest payable on the new Railway Pension Fund to be set up with effect from 1st April next for covering the accrued liability for pensions earned by the Railway employees. The Railways would be paying next year a sum of Rs. 19 crores for credit to the Pension Fund by debit to their working expenses while the withdrawals from the Fund to finance the actual payment of pensions are expected to amount to Rs. 4 crores only.

Other Items.—Prior to 12th May, 1960, the rupee equivalent of the dollar cost of surplus agricultural commodities imported from the United States of America under P.L. 480 were deposited with the State Bank of India who invested them in Government of India treasury bills and other market loans. With effect from 12th May, 1960 onwards the moneys received by the American authorities are directly deposited with the Reserve Bank who, in turn, are investing them in special securities of the Government of India on which interest at 1½ per cent per annum is paid. These securities are non-negotiable and are repayable on demand. As compared to the original expectation of Rs. 90 crores, the net deposits are now estimated at Rs. 65 crores only, while next year there would be net withdrawals of these deposits amounting to Rs. 85 crores. Better progress in the reimbursement of aid from P.L. 480 Funds on approved projects accounts mainly for the less receipts in the current year. The net withdrawal next year is due mainly to the change in the procedure for the release of assistance from P.L. 480 counterpart funds on an "advance" basis instead of in reimbursement of the actual expenditure. As compared to the assistance of Rs. 129 crores in the current Revised of which Rs. 65 crores will be as loans and Rs. 64 crores as grants, the

Budget next year assumes assistance of Rs. 313 crores consisting of Rs. 140 crores as grants and Rs. 173 crores as loans. In addition, the State Bank of India would be refunding Rs. 30 crores this year and Rs. 40 crores next year from out of the moneys formerly deposited with them. It has also been agreed that all future repayments of principal with interest thereon in respect of loans frm P.L. 480 Funds, Development Loan Fund and Development Loan Assistance will be deposited with the Reserve Bank for investment in the special securities and not with the State Bank. Budget next year includes an additional credit of Rs. 34 crores on this account. Provision has been made for the payment of Rs. 5·25 crores this year and Rs. 4·60 crores next year as interest on these special securities.

This head also accommodates interest on Ten Year Treasury Savings Deposit Certificates, now Defence Deposit Certificates, and also Prizes paid and other charges incurred in respect of the Five Year Interest-free Prize Bonds, 1965 and the Premium Prize Bonds, 1963. The charges payable to the Reserve Bank for the management of public debt, commission to authorised agents on the sale of Savings Certificates and interest on Shipping Development Fund are also provided here. Excluding the element of interest on the special securities referred to above, Budget next year shows an increase of Rs. 1·86 crores, of which Rs. 50 lakhs is due to the payment of prizes in respect of the two prize draws for the new Premium Prize Bonds, 1963, to be held in that year. The rest of the increase is mainly due to the progressive increase in the sale of Defence Deposit Certificates.

Debt Redemption.—The usual provision of Rs. 5 crores has been made in both the years for which corresponding credit is taken under the deposit head "Appropriation for reduction or avoidance of Debt—Other Appropriations".

ADMINISTRATIVE SERVICES

Broadly, the expenditure under this group head relates to administrative and ancillary services and the day-to-day running of the administration at the Centre and in the Union Territories, other than on tax collection which is recorded under the group head "Collection of Taxes, Duties and other Principal Revenues". The expenditure on Parliament, State Legislatures and Elections is also accommodated under this group head. Broad details are:—

(In lakhs of Rs.)

Heads	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Parliament and State Legislatures	2,88	2,31	2,42
General Administration	19,71	19,09	19,51
Audit	9,71	9,70	10,59
Administration of Justice	61	52	49
Jails	25	17	12
Police	33,53	26,94	25,02
External Affairs	15,17	14,92	16,48
Supplies and Disposals	3,21	3,33	3,53
Miscellaneous Departments	3,21	3,47	3,68
TOTAL	88,28	80,45	81,84

Parliament and State Legislatures.—The decrease in the current year is due to less payment to States as contribution towards Election expenses. Provision for arrear contribution for medical aid to the Members of Parliament accounts for the increase next year.

General Administration.—The decrease in the Revised is the net effect of the saving caused by the setting up of the new Union Territory Governments and the State of Nagaland and the increase under Tribal Areas due to the recoveries relating to relief measures and supply dropping operations in North East Frontier Agency being adjusted under "Miscellaneous" instead of under this head where they were taken in the budget. The increase in the budget is the net effect of the increases in the various Government Departments on account of normal growth as well as for expansion of the Intelligence Bureau, partly offset by the saving caused by the transfer of the functions to the new Union Territory Governments and Nagaland.

Audit.—This head accommodates expenditure incurred by the Comptroller and Auditor-General and his officers on the maintenance and audit of accounts of both the Central and State Governments. Normal growth and increased work-loads of the Audit Department consequent upon the growing tempo of developmental outlays of both the Centre and the States account for the increase next year. A part of the increase is also attributable to the grant of compensatory city and house rent allowances following the re-classification of certain cities.

Administration of Justice and Jails.—Saving in both the years reflects the transfer of the functions to the new Union Territory Governments and Nagaland.

Police.—The relevant details are:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
(*i*) Naga Hills Tuensang Area	2,50	1,67	..
(*ii*) Himachal Pradesh	88	25	..
(*iii*) Manipur	1,06	11	..
(*iv*) Tripura	2,80	15	..
(*v*) Delhi	2,96	2,83	2,99
(*vi*) Andaman and Nicobar Islands	25	28	27
(*vii*) Tribal Areas	7,22	7,42	7,53
(*viii*) Other Union Territories	3	2	3
(*ix*) Other Police Expenditure	15,83	14,21	14,20
TOTAL	33,53	26,94	25,02

The drop under (i) to (iv) above in both the years is due to the Constitutional changes relating to these territories

(v) *Delhi.*—Normal growth and additional provision for Home Guards explain the increase in the budget next year.

(vii) *Tribal Areas.*—Strengthening of the policing of these areas for maintenance of law and order explains the increase in both the years.

(ix) *Other Police Expenditure.*—Non-filling of certain vacant posts and less purchase of equipment mainly account for the saving in the Revised. Increase caused by the expansion of the Police institutions, Central Bureau

of Investigation and Police Wireless and strengthening of Check Posts, including purchase of equipment, will be more than offset next year by less provision for payment to States for raising additional battalions on behalf of the Central Government.

External Affairs.—The increase next year is due mainly to the increase in the subsidy payable to Bhutan and Sikkim for development purposes, the details of which are:

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Bhutan	5,20	4,56	5,58
Sikkim	1,78	1,72	1,91
TOTAL	6,98	6,28	7,49

Supplies and Disposals.—Increase of Rs. 12 lakhs in the current year is due to the larger requirements of the Indian Stores Department, London for payment of arrears of salaries, inspection fees and rent charges. Normal growth, expanded activities of the Government Test House and setting up of a Branch Test House in Bombay account for the increase in the Budget.

Miscellaneous Departments.—Budget for the current year had included a provision for the Food Wing of the Central Public Works Department which was expected to be transferred during the year to the administrative control of the Food Department. Against the gross requirement of Rs. 1·98 crores of this wing, the recoveries on account of stores and stocks actually consumed were expected to be of the order of Rs. 2·24 crores. Non-materialisation of the transfer of the Wing to the Food Department, with the consequential absence of the net excess recoveries, accounts for the increase in the Revised. Budget next year allows for normal growth.

SOCIAL AND DEVELOPMENTAL SERVICES

The broad details of the expenditure in this section are as follows:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Scientific Departments	30,14	29,91	31,89
Education	30,03	30,38	40,95
Medical	7,70	7,67	8,65
Public Health	4,85	3,86	4,56
Agriculture	8,61	7,88	9,85
Rural Development	1	1	..
Animal Husbandry	1,27	1,03	1,28
Co-operation	3,91	3,68	5,34
Industries	43,35	37,29	38,24
Broadcasting	5,04	5,02	5,51
Community Development, National Extension Service and Local Development Works	1,92	1,00	85
Labour and Employment	6,71	6,64	7,19
Msicellaneous Social and Developmental Organisations	11,81	12,54	13,81
Captital Outlay on Industrial Development met from Revenue	5	3	2
TOTAL	1,55,40	1,46,94	1,68,14

Scientific Departments.—The details are:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
(*i*) Atomic Energy Research	8,41	8,19	9,89
(*ii*) Scientific Research and Technical Education :			
(*a*) Grants to C.S.I.R.	5,00	6,30	7,25
(*b*) Grants to others	3,17	3,14	62
(*iii*) Geological Survey	3,84	2,99	3,31
(*iv*) Meteorology	1,95	1,96	2,47
(*v*) Survey of India	2,99	2,99	3,45
(*vi*) Archaeology	1,11	1,10	1,28
(*vii*) Botanical Survey	28	24	28
(*viii*) Zoological Survey	20	18	26
(*ix*) Indian Bureau of Mines	2,01	1,70	1,78
(*x*) Other Items	1,18	1,12	1,30
TOTAL	30,14	29,91	31,89

(i) Provision for High Speed Electronic Digital Computor and more equipment for the Atomic Minerals Division account for the increase of Rs. 1·7 crores for the Atomic Energy Research next year.

(ii) (a) Restoration of the *ad hoc* cut to the extent of Rs. 1·3 crores imposed at the time of the budget accounts for the increase in the requirements of C.S.I.R. in the current year. Larger provision for developmental activities explains the increase next year.

(b) Change in the classification of grants for Scientific and Technical Education to "Education" accounts for the drop in the budget next year.

(iii) Saving in the Revised is mainly due to the delay in the receipt of stores and equipment. Larger provision for purchase of equipment and expenditure on the International Geological Congress Session to be held in December, 1964 explain the increase next year.

(iv) Establishment of a Rocket Launching Field Unit in Kerala, integration of the Meteorological Unit in Goa and provision for expansion explain the increase next year.

(v) Increase next year is due to expenditure on Air photography and purchase of specialised equipment required for Hydel Schemes, etc.

(vi) Budget also provides for the construction of Huen Tsang Memorial at Nalanda and Site Museums at Haebid, Lothal and Amravati.

(vii) Delay in the receipt of stores indented for by the Indian Bureau of Mines explains the saving in the Revised. Budget provides for increased field activities.

Education.—Increase in the current year is mainly due to larger requirements of the University Grants Commission for payment of additional grants to Aligarh, Banaras, Delhi and Viswa Bharati Universities and to the Indian Institute of Science and the Indian School of International Studies. A part of the increase is also due to arrear grants payable to affiliated Colleges in Delhi and other institutions for purchase of equipment and books and construction of hostels, staff quarters, etc.

Of the increase of Rs. 10·57 crores in the budget next year, Rs. 1·89 crores is for the University Grants Commission, Rs. 72 lakhs each for the Indian Institute of Technology and Union Territories, Rs. 39 lakhs for the National Council of Educational Research and Training, Rs. 34 lakhs for the National Discipline Scheme, Rs. 29 lakhs for physical education, sports, etc., Rs. 24 lakhs for development of Hindi and other State languages and Rs. 4·32 crores for grants for scientific and technical education which were formerly debited to the head "Scientific Departments".

Medical.—The saving of Rs. 3 lakhs in the Revised is the net effect of several variations. The setting up of Union Territory Governments and the State of Nagaland accounts for a saving of Rs. 51 lakhs. But this will be partly counterbalanced by the additional provisions required for Medical College, Pondicherry, which was formerly provided for in the Pondicherry Area Demand and Health Service Scheme for Government employees. Larger requirements for Medical College, Pondicherry (Rs. 33 lakhs), Health Service Scheme for Government employees (Rs. 32 lakhs) and grants for medical purposes (Rs. 27 lakhs) mainly account for the increase next year.

Public Health.—Saving in the current year is due mainly to the setting up of new Union Territory Governments and Nagaland (Rs. 36 lakhs) and less expenditure on Family Planning (Rs. 20 lakhs) and on grants for public health purposes (Rs. 36 lakhs). The increase next year is mainly due to larger grants for family planning, Indian Council of Medical Research and for other voluntary organisations.

Agriculture.—The saving in the Revised is mainly attributable to the transfer of the functions to the new Union Territory Governments and Nagaland. Budget next year shows an increase of Rs. 87 lakhs for the Indian Agricultural Research Institute mainly for undertaking aerial survey under the All India Soil and Land Survey Scheme, Rs. 71 lakhs for Fertiliser Demonstration Scheme, Rs. 26 lakhs for Central Mechanised Farm, Rs. 29 lakhs for grants-in-aid to I.C.A.R. and other parties and Rs. 15 lakhs for the Fishery Schemes. These increases, however, will be partly counterbalanced by a saving of Rs. 34 lakhs caused by the transfer of functions to the new Union Territory Governments and Nagaland.

Animal Husbandry.—The setting up of the new Union Territory Governments and Nagaland and less expenditure on Regional Poultry Farms, Sheep Breeding Stations and Jersey Farms mainly account for the saving in the Revised. Budget includes Rs. 68 lakhs for the Indian Veterinary Research Institutes, Rs 12 lakhs for grants to the Indian Council of Agricultural Research, Rs. 10 lakhs to the Central Council of Gosamvardhan, Rs. 19 lakhs for other miscellaneous expenditure relating to Regional Poultry Farms, Sheep Breeding Stations and Jersey Farms and Rs. 17 lakhs for Union Territories.

Co-operation.—Fall in the Revised is mainly due to the setting up of new Union Territory Governments. The National Co-operative Development Corporation would be requiring Rs. 4·77 crores next year, showing an increase of Rs. 1·59 crores over the Revised Estimates. This mainly explains the increase next year.

Industries.—The Revised shows a saving of Rs. 6·06 crores. The surcharge on iron and steel, which is transferred to the Steel Equalisation Fund, is expected to amount to Rs. 16 crores as compared to the original budget of Rs. 18·3 crores resulting in a saving in the transfer to the Fund

of Rs. 2·3 crores. Payment of net proceeds of coffee, tea, rubber and coir cesses to the respective Boards accounts for a saving of Rs. 68 lakhs, while the setting up of the new Union Territory Governments and Nagaland accounts for a further saving of Rs. 55 lakhs. With the establishment of a Marketing Development Fund for promoting export trade, for which necessary provision was made through a Supplementary Grant under the head "Miscellaneous", the provision of Rs. 3 crores included under "Industries" for grants for export promotion will remain unutilised. These savings, however, will be partly counter-balanced by an excess of Rs. 60 lakhs as grants to Khadi and Village Industries Commission.

The transfer of surcharge on steel next year would show a further saving of Rs. 2 crores. The grants for Export Promotion Council will now be made from the Marketing Development Fund, resulting in a saving of Rs. 35 lakhs. These savings, however, will be more than counter-balanced by the increased requirements of Rs. 2·21 crores in the grants to Khadi and Village Industries Commission and Rs. 63 lakhs for payment of net proceeds of coffee, tea, rubber and coir cesses to the respective Boards.

Grants to Khadi and Village Industries Commission include Rs. 639 lakhs in the current year and Rs. 728 lakhs next year for Traditional Khadi, Rs. 181 lakhs this year and Rs. 300 lakhs next year for village industries, Rs. 70 lakhs this year and Rs. 65 lakhs next year for Ambar Charkha Programme and Rs. 244 lakhs this year and Rs. 262 lakhs next year as subsidy in lieu of interest, leading to a total grant to the Commission in the current year of Rs. 11·34 crores and in the coming year of Rs. 13·55 crores.

Broadcasting.—Full year's provision for additional staff and for allowances to artistes in respect of the new transmitters established at Kohima, Goa, Imphal and Port Blair accounts for the increase in the budget next year. Budget also includes provision for new transmitters to be established in that year.

Community Development, National Extension Service and Local Development Works.—This head accommodates expenditure in Union territories and on training schemes run directly by the Centre. Provision for assistance to the States for this purpose is shown under Grants to States. The setting up of new Union Territory Governments and the State of Nagaland accounts for a saving of Rs. 96 lakhs in the current year and Rs. 23 lakhs, as compared to the current Revised, in the coming year.

Labour and Employment.—The setting up of new Union Territory Governments accounts for a saving of Rs. 30 lakhs in the Revised. Likewise, imposition of the cess on iron ore with effect from 1st October 1963 instead of from 1st April 1963, with the consequential reduction in the transfer to the Iron Ore Mines Labour Welfare Fund will result in a saving of Rs. 17 lakhs. The requirements of Labour Bureau and Chief Adviser, Factories would also be less by Rs. 7 lakhs each, due to vacancies and non-receipt of equipment. These savings, however, will be partly counter-balanced by an excess of Rs. 54 lakhs for the transfer of the cess on coal to the Coal Mines Labour Housing and General Welfare Fund, following better collections.

Budget next year shows a net excess of Rs. 55 lakhs over the current Revised. While the absence of the provision relating to new Union Territory Governments accounts for a saving of Rs. 44 lakhs, the rest of the items show an all-round increase. Full year's effect of the cess on iron ore

accounts for an increase of Rs. 17 lakhs in the amount to be transferred to the Fund. The requirements of the Central Training Institute for Instructors and expenditure on workers' education would be more by Rs. 17 lakhs and Rs. 10 lakhs respectively. Budget also includes Rs. 22 lakhs for the setting up of a new Mine Mechanisation Training Institute and Rs. 7 lakhs for payment of subsidy on housing schemes for dock workers.

Miscellaneous Social and Developmental Organisations.—The Revised shows an increase of Rs. 73 lakhs which is the net effect of variations over a number of items. The requirements of Union Territories due to Constitutional changes account for a saving of Rs. 10 lakhs. National Sample Survey would be costing Rs. 11 lakhs less. These savings, however, will be more than neutralised by an increase of Rs. 62 lakhs for trade demonstration and propaganda, mainly for participation in the exhibitions abroad, notably, New York World Fair and opening of show rooms at Khartoum and Lagos, Rs. 16 lakhs for grants to Indian Statistical Institute, Rs. 5 lakhs for Census operations, Rs. 4 lakhs for Foreign Trade Control and Rs. 3 lakhs for the Films Division.

Budget shows an increase of Rs. 1·27 crores over the current Revised. This is again the net result of saving of Rs. 61 lakhs under trade demonstration and propaganda and increases under almost all the other items. Census operations would cost Rs. 38 lakhs more due mainly to larger expenditure in connection with prinitng of Census reports and implementation of the scheme of improvement of registration of vital events. National Sample Survey and the Tourist Organisation would be requiring Rs. 17 lakhs and Rs. 15 lakhs more respectively. Likewise, the requirements of the Central Water and Power Commission and grants to the Indian Statistical Institute would be more by Rs. 16 lakhs and Rs. 13 lakhs respectively. The budget of the Directorate of Advertising and Visual Publicity at Rs. 1·37 crores shows an increase of Rs. 10 lakhs due mainly for the running of two special exhibition trains for Defence publicity and for the increased publicity requirements of various Ministries.

Multi-Purpose River Schemes, Irrigation and Electricity Schemes.—The details are:—

(In lakhs of Rs.)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
Multi-purpose River Schemes	63	72	1,19
Irrigation, Navigation etc.	16	6	5
Electricity Schemes	1,17	58	60
TOTAL .	1,96	1,36	1,84

Multi-Purpose River Schemes.—Provision is made under this head for the Central Water & Power Research Station, Poona, Flood Control Wing of the Central Water & Power Commission, Technical Training Centres and investigation of Multi-Purpose River Schemes. The Poona Research Station would require Rs. 25 lakhs in the current year and Rs. 29 lakhs next year whereas investigation of Multi-Purpose River Schemes would cost Rs. 19 lakhs in the current year and Rs. 63 lakhs in the coming year as compared to the original expectation of Rs. 4 lakhs. The increase in the latter is due to extension of certain investigation

schemes. The Technical Training Centres would cost Rs. 21 lakhs in the current year and Rs. 23 lakhs next year as compared with the original Budget of Rs. 24 lakhs. The increase next year is due to the opening of new Centres at Nangal and Kakrapur.

Irrigation, Navigation, etc.—The head accommodates expenditure on Irrigation Schemes in Union Territories. The recent constitutional changes account for the decrease in both the years.

Electricity Schemes.—The drop in the current year is almost entirely due to the transfer of the schemes of the new Union Territory Governments and the new State of Nagaland. Absence of the provisions relating to these schemes accounts for a saving of Rs. 15 lakhs next year but this would be set off by increased requirements of Rs. 11 lakhs for Trisuli Hydro-Electric Project, Nepal, which is administered by the Ministry of Irrigation & Power, but the cost is recovered from the External Affairs as aid to Nepal and Rs. 4 lakhs for survey of potential hydro-electric power sites.

PUBLIC WORKS

This group head records expenditure on the maintenance of National Highways, roads in Union Territories and certain other roads which are maintained by the Central Government and Government buildings, including the cost of construction of minor works debitable to revenue. The transfer of a part of the revenue from the Customs and Excise Duties on motor spirit to the Central Road Fund is also treated as Public Works expenditure. The details are :—

(In lakhs of Rs.)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
1. Block Grants for the Central Road Fund	4,10	4,10	4,10
2. *Public Works*			
(*i*) Original Works	1,54	1,51	90
(*ii*) Maintenance and repairs	3,78	3,68	3,76
(*iii*) Establishment	1,60	1,48	1,30
(*iv*) Suspense	1,98	2,91	1,93
(*v*) Grants-in-aid	19	18	25
(*vi*) Other Items	33	42	31
TOTAL PUBLIC WORKS	9,42	10,18	8,45
3. *Communications*			
(*i*) Maintenance of National Highways	5,75	6,20	6,20
(*ii*) Maintenance of other Roads	1,00	61	36
(*iii*) Border Roads	46	46	1,02
(*iv*) Other Items	21	10	8
TOTAL COMMUNICATIONS	7,42	7,37	7,66
GRAND TOTAL	20,94	21,65	20,21

Larger requirements for the purchase of stores and material to cope with the heavy construction programme of the Central Public Works Department account for an increase of Rs. 93 lakhs under "Suspense". Likewise, maintenance of national highways in Bihar, Uttar Pradesh and Sikkim would require an additional amount of Rs. 45 lakhs. But, these excesses would, to some extent, be counterbalanced by the transfer of works relating to the new Union Territory Governments and Nagaland.

Budget next year shows a saving of Rs. 1·44 crores over the current Revised which is mainly the net result of the saving caused by the full year's effect of the transfer of works to Union Territory Governments and Nagaland and additional requirements of Rs. 56 lakhs for border roads.

Transport and Communications.—The details are:—

(In lakhs of Rs.)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
Ports and Pilotage	34	55	41
Mercantile Marine	99	98	1,29
Lighthouses and Light Ships	1,10	1,14	1,09
Aviation	3,89	3,89	5,57
Road and Water Transport Schemes	2,07	78	24
Overseas Communications Service	1,40	1,36	1,58
TOTAL	9,79	8,70	10,18

Ports and Pilotage.—Increased requirements for purchase of stores and chartering of a new ship for Andaman traffic account for the excess in the current year.

Mercantile Marine.—Of the excess of Rs. 31 lakhs in the Budget next year, Rs. 20 lakhs is on account of increased subsidy payable to the Shipping Development Fund to cover a part of the interest charged on the loans to the Fund and Rs. 7 lakhs for additional subsidies to ship-owners.

Lighthouses and Light Ships.—The surplus of the Department is transferred to the General Reserve Fund for the use of Light Houses and Light Ships. The increase in the current year is due to transfer of the credit balance with interest in the Reserve of the Minicoy Light House following its *de jure* transfer from U.K. to India with the consequential increase in the amount to be transferred to the General Reserve Fund. Absence of this special transfer accounts for the saving next year.

Aviation.—Besides normal growth and larger requirements for servicing of aerodromes and air routes, Budget next year provides for a grant of Rs. 1 crore to the proposed Civil Aviation Development Fund. The Fund is intended for giving subventions to the Indian Airlines Corporation for running services which are not otherwise commercially remunerative and for constructing air strips and providing ancillary facilities for the promotion of tourist traffic.

Road and Water Transport Schemes.—A part of the saving in both the years reflects the effect of the constitutional changes relating to the new Union Territory Governments. Less expenditure on Road Transport Organisation which was set up in November 1962 for the movement of essential supplies to Assam and North Bengal areas due to non-availability of vehicles explains the rest of the savings in the current year. The conversion of this departmental organisation into a company in February 1964 and, consequently, the absence of the provision required for it under this head explain the further decrease next year.

Overseas Communications Service.—Vacancies and less expenditure on repairs explain the saving in the Revised. Besides normal growth, Budget provides for additional temporary posts, purchase of spares and more way-leave payments to foreign agencies.

CURRENCY AND MINT

This group head records the expenditure on currency and coinage operations and the working of the Currency Note Press and the Government Mints. The details by major heads are :—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Currency and Coinage	9,14	8,86	9,53
Mint	2,52	2,52	2,64
Kolar Gold Mines	5,58	5,38	5,16
TOTAL	17,24	16,76	17,33

Currency and Coinage.—Broad details are given below :—

A. *Currency and Coinage.*—The details are :—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
(*i*) Currency Note Press	3,83	3,43	4,00
(*ii*) Cost of one rupee note forms	1,75	1,63	1,90
(*iii*) Loss on destruction of withdrawn coins	2,90	3,16	2,96
(*iv*) Write back of capital loss of Hyderabad O.S. currency	60	60	60
(*v*) Other items	6	4	7
TOTAL	9,14	8,86	9,53

Currency and Coinage.—The saving in the Revised is due to less requirements for purchase of paper by the Currency Note Press following a decrease in the demand for Bank and Re. 1 note, but this will be partly

counterbalanced by the increased loss on the demonetisation and destruction of one anna coins.

The increase in the Budget next year is the net effect of larger requirements of the Currency Note Press to meet the likely increase in demand for Bank and Re. 1 notes and the saving of Rs. 20 lakhs in the loss to be written off on the destruction of withdrawn coins.

Mint.—Besides normal growth, Budget next year provides for larger expenditure on stores for the three Government Mints at Bombay, Calcutta and Hyderabad.

Kolar Gold Mines.—The Kolar Gold Mines, which were taken over from the Mysore Government with effect from December 1, 1962, are run as a departmental commercial concern. Accordingly, provision is made under this head for the working expenses of the Kolar Gold Mines which are estimated to cost Rs. 5·38 crores in the current year and Rs. 5·16 crores next year. The gold produced by the Mines is taken over on Central reserves by debit to the Capital Head by *per contra* credit as Revenue Receipts. Saving in the current year is mainly due to the setback in the working of the Champion Reef Mines following a rock-burst and fire. Further saving next year reflects the reduction in staff to be brought about by the re-organisation of the Mines.

MISCELLANEOUS

This group head covers items of expenditure of a miscellaneous nature which cannot appropriately be accommodated under any other group head. Details by major heads of the account are given below. Transactions of Civil Departments which do not belong to the descriptive major head are recorded under the major head "Miscellaneous".

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Famine Relief	3	9	..
Pensions and Other Retirement Benefits	5,32	5,42	5,73
Territorial and Political Pensions	23	22	22
Privy Purses	5,13	5,13	5,99
Stationery and Printing	3,68	3,31	3,25
Opium	3,02	3,42	2,89
Forest	4,31	2,88	2,53
Miscellaneous	89,26	71,52	78,80
TOTAL	1,10,98	91,99	98,51

Famine Relief.—Larger expenditure on famine relief in Tripura and Delhi accounts for the increase in the Revised. Transfer of the provisions relating to new Union Territory Governments explain the savings next year.

Pensions and Other Retirement Benefits.—Provision has, as usual, been made on the latest trends of actuals for the likely payment of pensions and gratuities in both the years. A part of the increase also reflects the *ad hoc* increase in small pensions sanctioned with effect from October 1, 1963.

Privy Purses.—Provision is made under this head for the privy purses to the rulers of former Indian States and the allowances to their relations. In the current year the saving caused by the transfer of the payment of allowances to the new Union Territory Governments will be counterbalanced by payment of arrears of privy purses relating to previous year. The absence of arrear payments mainly accounts for the saving in the Budget next year.

Stationery and Printing.—The gross requirements for stationery and printing in the current year would be more by Rs. 1·72 crores due mostly to the increase in the price of paper and larger demands of the Ministries, notably Defence. But, these will be more than covered by larger recoveries from the paying departments, *viz.*, Defence and Posts & Telegraphs, resulting in a net saving of Rs. 37 lakhs. Budget next year provides Rs. 7·2 crores for the purchase of paper and stationery stores and Rs. 3·03 crores for the working of Government Presses, but the recoveries from the paying departments, notably Posts and Telegraphs, Railways and Defence, would be of the order of Rs. 8·31 crores.

Opium.—The increase in the current year is almost entirely due to larger payments to cultivators following an unexpected increase in the crop in Madhya Pradesh and Rajasthan. Likely reduction in the area under poppy cultivation accounts mainly for the saving next year.

Forest.—Provision is made here mainly for the running of the Forest Research Institute, maintenance of forests in Union Territories and for the payment of soil conservation grant to the Damodar Valley Corporation. The Revised shows a saving of Rs. 1·43 crores which is mainly due to the transfer of the Forests relating to Himachal Pradesh, Manipur, Tripura and Nagaland. Full year's effect of this transfer accounts for a further saving of Rs. 53 lakhs in the Budget next year. The requirements of the Forest Research Institute would amount to Rs. 36 lakhs in the current year and Rs. 42 lakhs next year as compared to the original Budget of Rs. 38 lakhs whereas the soil conservation grant to the Damodar Valley Corporation would amount to Rs. 30 lakhs in the current year and Rs. 37 lakhs next year.

Miscellaneous.—The broad details are:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
1. Expenditure on displaced persons—			
(*a*) Ordinary expenditure	66	83	75
(*b*) Transfer of sale proceeds of evacue property	3,00	6,00	3,00
(*c*) Repayments of capital expenditure	4,60	4,78	4,56
(*d*) Irrecoverable loans and advances	11	11	11
(*e*) Expenditure on development of Faridabad Township	4	4	4

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
2. Servicing and other charges in respect of dollar purchases from I.M.F.	3,05	2,60	2,75
3. Aid under Colombo Plan—			
(a) Nepal	4,70	4,70	7,66
(b) South East Asia	27	24	26
4. Grants to Central Social Welfare Board	2,00	1,85	2,10
5. Repayments from Revenue of expenditure initially debited to Capital—			
(a) Trading loss on foodgrains	12,09	12,65	15,31
(b) Loss on American loan wheat	49	49	49
(c) Grants for Industrial Housing Schemes and for Slum Clearance	16	16	27
6. Planning Commission	95	98	1,11
7. Pondicherry	3,25	90	..
8. Goa, Daman and Diu	7,07	5,31	..
9. Sugar subsidy	15,00	3,50	10
10. Subsidy on coal moved by rail-*cum*-sea	5,00	5,00	5,00
11. Contributions to U. N. Special Projects Fund and Expanded Programme of Technical Assistance	1,43	1,43	1,43
12. Expenditure in other Union Territories	13,03	7,07	6,72
13. Expenditure on subsidiary food schemes	43	19	53
14. Payment of excise duty on coal and coke to Coal Board	4,50	4,50	4,70
15. Export promotion and development	80	50	3,00
16. Payment to Railways on account of freight concessions on furnace oil	45	45	45
17. Grants for welfare of Backward Classes	17	18	25
18. Lump provision for Dearness Allowance	..	..	10,00
19. Payment of income-tax on salaries paid to non-Indian employees of Ford and Rockefeller Foundations	79	1,37	1,71
20. Other Items	5,22	5,69	6,50
TOTAL	89,26	71,52	78,80

Item 1 (*a*).—Unanticipated delay in the completion of the work relating to the settlement of compensation claims explains the increase in the current year. Gradual winding up of the work with the consequential reduction in the staff accounts for the decrease next year.

Item 1 (*b*).—The sale proceeds of acquired evacuee property, including the balances held by the Custodians accrue to the compensation pool under the Displaced Persons (Compensation and Rehabilitation) Act 1954, and are accordingly adjusted in deduction of compensation payments to displaced persons booked under Capital. These payments which are covered by a corresponding receipt under Revenue are now expected to amount to Rs. 6 crores this year and Rs. 3 crores next year. The increase of Rs. 3 crores in the current year is partly due to larger sale proceeds of evacuee property and partly to adjustments of sale proceeds realised in the previous year which could not be adjusted in the accounts for that year. Absence of arrear adjustments mainly accounts for the less transfer next year.

Item 1 (*c*).—The net capital expenditure on payment of compensation to displaced persons after adjusting the sale proceeds of evacuee property is written back to Revenue over a period of fifteen years. The writes back are now estimated at Rs. 4·78 crores this year and Rs. 4·56 crores next year as compared with the budgeted estimate of Rs. 4·6 crores. The increase in the Revised is due to the increase in the net capital expenditure actually incurred in 1962-63 with the consequential increase in the provision for covering the write back in the current year.

Item 2.—This head accommodates service and other charges payable to the International Monetary Fund on the dollar purchases from the Fund. A provision of Rs. 3·05 crores was made in the Budget for the payment of service and other charges on the $ 250 million credit obtained from the Fund in August 1961 and the further stand-by credit of $ 100 million negotiated in July 1962. The balance was expected to be drawn later. In July 1963 another stand-by agreement was signed for a further drawal of $ 100 million. The withdrawal of $ 25 million from the stand-by agreement of July 1962 was re-paid in June 1963 and a further repayment of $ 25 million was made in February 1964. In addition to service charges, retention charges are also payable on the drawings from time to time. Accordingly, the total payments now estimated are Rs. 2·76 crores in the current year and Rs. 2·75 crores next year.

Item 3 (*a*).—The aid to Nepal next year is estimated at Rs. 7·66 crores as compared to Rs. 4·7 crores in the current year. The main items are Rs. 4·65 crores for Trisuli Hydro-electric Project, Rs. 1 crore for Chatra Canal Project, Rs. 40 lakhs for Minor Irrigation Schemes, Rs. 33 lakhs for the construction of Tribhuvan Rajpath and bilateral roads, Rs. 27 lakhs for Kathmandu Water Supply Scheme, Rs. 8 lakhs each for survey and triangulation schemes and Geological Survey and Rs. 22 lakhs for Civil Aviation.

Item 4.—The grants to Central Social Welfare Board are now expected to amount to Rs. 1·85 crores in the current year and Rs. 2·1 crores in the coming year as compared to the original Budget of Rs. 2 crores. Budget next year also provides for the schemes recommended by the Child Care Committee.

Item 5 (*a*).—The loss on stocks of rice taken over from the State Governments at the time of de-control in 1954 and on rice imported under the Financial Agreement with Burma in 1954, amounting in all to Rs. 35

crores, is being written back to Revenue over a period of 15 years commencing from 1955-56. In addition, the losses on foodgrains purchased or imported every year are also written off to Revenue over a period of 10 years. The total provision for write off is now expected to be Rs. 12·65 crores in the current year and Rs. 15·31 crores next year as compared to the original estimate of Rs. 12·09 crores. These include Rs. 2·18 crores to be adjusted in the current year on account of actual loss of Rs. 21·78 crores in 1962-63 and Rs. 2·66 crores to be written back next year on account of the estimated loss of Rs. 26·58 crores in 1963-64.

Item 5 (*c*).—Grants for subsidised Industrial Housing and Slum clearance Schemes initially debited to Capital are also written back to Revenue over 15 years. A sum of Rs. 16 lakhs this year and Rs. 27 lakhs next year is expected to be written back on this account.

Item 6.—The requirements of the Planning Commission are estimated to amount to Rs. 98 lakhs in the current year and Rs. 1·11 crores in the coming year as compared to the original Budget of Rs. 95 lakhs.

Items 7 *and* 8.—The saving in both the years is due to the setting up of the new Union Territory Governments of Pondicherry with effect from July 1, 1963 and Goa, Daman and Diu with effect from December 20, 1963. The transactions of these Territories will now be debited to their respective Consolidated Funds.

Item 9.—A provision of Rs. 15 crores was made in the Budget for payment of a subsidy to the sugar industry to off set the loss involved in the export of about 4 lakh tonnes of sugar during the year. Due, however, to a spurt in international prices, the loss involved and, consequently, the subsidy payable will be considerably less. On the actual export of 4·8 lakh tonnes of sugar in the calendar year 1963, for which the export earnings are Rs. 30 crores, the subsidy payable in the current financial year to cover the loss involved is estimated at Rs. 3·5 crores only.

Commitments for export of about 3 lakh tonnes during 1964 have already been made. It is difficult to estimate the exact loss or profit involved, but as the ruling international prices are much higher, a token provision of Rs. 10 lakhs only for the payment of subsidy is being made in the Budget next year. The foreign exchange earnings are again expected to be of the order of Rs. 30 crores.

Item 10.—With a view to equalise the price of coal transported by sea or rail, it was agreed in 1962-63 to pay a subsidy on the movement of coal by coastal shipping to the Southern States. The total subsidy payable which is financed from the additional excise duty levied on coal and coke, is estimated at Rs. 5 crores in each of the two years.

Item 11.—Provision is made here for contribution to the U.N. Special Projects Fund and for Expanded Programme of Technical Assistance of the United Nations. These contributions are payable on a calendar year basis. Accordingly, provision has been made for payment of Rs. 1·43 crores in the current as well as in the Budget next year.

Item 12.—Saving in both the years is due to the setting up of the new Union Territory Governments and the State of Nagaland.

Item 13.—Delay in the implementation of certain schemes, notably plants for ground-nut flour and peanut butter mainly account for the

saving in the Revised. Budget next year provides for full implementation of these schemes and for larger grants to various associations.

Item 14.—The net proceeds of the special cess on coal and coke are transferred to the Coal Board for utilisation on schemes relating to conservation of coal and safety in coal mines. Following the estimates adopted under the Revenue head provision has been made for transfer to the Coal Board of Rs. 4·5 crores this year and Rs. 4·7 crores next year.

Item 15.—A provision of Rs. 80 lakhs was made under this head for grants for export promotion and development and another Rs. 3 crores for the same purpose under the Industries grant. The provision was surrendered and a supplementary grant of Rs. 3 crores was obtained during the year under this head with a view to transfer the total sum of Rs. 3·8 crores to a Marketing Development Fund for financing export promotion and marketing development schemes. It was also expected that the entire provision in the Fund will be utilised for financing such schemes during the year. Due, however, to unanticipated delay in the implementation of these schemes the actual expenditure to be incurred in the current year and, consequently, the amount to be transferred to the Fund will be of the order of Rs. 50 lakhs only. Budget next year provides for a transfer of Rs. 3 crores to the Fund and its actual utilisation on the various export promotion schemes.

Item 16.—With a view to alleviate the difficulties in obtaining coal by industries located at great distances from the coal fields, it was decided in 1962-63 to encourage the use of furnace oil by these industries by reducing the rail freight by 50 per cent. The difference between the full freight and the charges actually recovered are re-imbursed to the Railways for which the Revised and the Budget include a provision of Rs. 45 lakhs each.

Item 17.—Provision here is made for grants for welfare of Backward Classes to parties other than States. The increase next year is for implementing the welfare schemes included in the Plan.

Item 18.—A lump provision of Rs. 10 crores has been made under this head to implement the recent decision to allow an *ad hoc* increase, with retrospective effect from July 1, 1963, in dearness allowance ranging from Rs. 2 to Rs. 10 to persons drawing a basic pay below Rs. 400 per month. The provision covers the requirements for both the years for all employees serving in the Civil and Defence Services other than those relating to Railways and Posts & Telegraphs. The Ministries will be expected to go in for supplementary grants during the course of the year to the extent necessary under their respective grants to meet this additional commitment while the lump provision made under this head will be surrendered. A provision of Rs. 2·11 crores has separately been included in the Posts & Telegraphs Budget for this purpose.

Item 19.—Non-Indian employees of Ford and Rockefeller Foundations are entitled, under their terms of service, to the payment of tax-free salaries. Accordingly, the income-tax payable is credited to income-tax by debit to this head. The amount required is now estimated at Rs. 1·37 crores in the current year and Rs. 1·71 crores next year as compared to the original Budget of Rs. 79 lakhs. The increase is due partly to increase in the number of employees as well as to the increase in the rate of tax.

Item 20.—The increase of Rs. 80 lakhs in the Budget next year is spread over a large number of items of which mention may be made of

Rs. 25 lakhs for publicity to be undertaken on behalf of Unit Trust, Rs. 20 lakhs on account of subsidy on State trading in oil and Rs. 14 lakhs for implementing the recommendations made by the Reddy Committee on Flood Control and similar calamities.

CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS

Details by major heads of the provision included in this Section are given below:

(In lakhs of Rupees)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
Payments of States' share of Union Excise Duties .	1,28,07	1,35,99	1,40,98
Grants-in-aid to State and Union Territory Governments	2,17,55	2,35,70	2,89,08
Miscellaneous Adjustments between Central, State and Union Territory Governments	25	30	28
Other Miscellaneous Contributions and Assignments .	3,17	3,16	3,85
TOTAL	3,49,04	3,75,15	4,34,19

States' Share of Union Excise Duties.—In accordance with the provision of Union Duties of Excise (Distribution) Act, 1962 which follows the recommendations made by the Third Finance Commission, 20 per cent of the net proceeds of basic Union Excise duties on all articles other than motor spirit on which such duties were collected in 1960-61, excluding those (but not excluding Silk fabrics) on which the yield was below Rs. 50 lakhs a year, are payable to the States. Similarly, the additional Duties of Excise (Goods of Special Importance) Act, 1957, as amended in 1962, provides for the payment to the States of the additional duties on sugar, tobacco and textiles in accordance with the percentage shares fixed by the Third Finance Commission. As compared to the provision of Rs. 128·07 crores in the original Budget, the States' share of Union excise duties, including additional excises is now estimated at Rs. 135·99 crores this year and Rs. 140·98 crores next year. The increase of Rs. 7·92 crores in the current year is attributable to two factors. The original provision does not take into account the effect of the current year's tax proposals which is now to be provided. Secondly, provision has also been made for the payment of arrears amounting to Rs. 2·99 crores relating to the previous year. The increase of Rs. 4·99 crores in the share of the States next year allows for further improvement in collections after excluding the arrear payments covered by the current year's Revised.

Grants-in-Aid to State and Union Territory Governments.—The details are:

(In lakhs of Rs.)

	Budget 1963-64	Revised 1963-64	Budget 1964-65
. Grants to States			
. *Grants under the Constitution*—			
(a) Substantive provision of Article 275 (1)	61,00	61,75	63,50
(b) Provisos: Article 275 (1) .	7,43	7,43	13,36

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
B. *Other Grants*—			
1. Police	5,40	4,28	7,04
2. Scientific and Technical Education	4,37	3,89	5,44
3. Primary, Secondary and other educational schemes	24,16	25,70	32,26
4. Medical	6,16	5,27	5,77
5. Public Health	11,01	10,40	10,21
6. Agriculture including rural development	12,55	15,34	18,04
7. Animal Husbandry	2,07	1,98	2,85
8. Co-operation	1,13	92	1,22
9. Industries	4,84	4,89	7,05
10. Broadcasting	11	15	27
11. Labour and Employment	9,08	6,89	8,52
12. Miscellaneous Social and Developmental Organisations	2,41	2,21	2,38
13. Small Savings Scheme	24	24	24
14. Community Development, National Extension Service and Local Development Works	22,28	22,40	29,05
15. Forest	2,47	3,27	4,66
16. *Miscellaneous*—			
(*a*) Grant in lieu of Tax on Railway Passenger Fares	12,50	12,50	12,50
(*b*) Development of Border Areas	3,38	3,62	4,14
(*c*) Welfare of Backward Classes	5,50	5,50	9,87
(*d*) Relief and rehabilitation of Displaced Persons	1,69	1,88	2,07
(*e*) Relief to Displaced Goldsmiths	..	..	53
(*f*) Natural Calamities	5,00	2,50	5,00
(*g*) Subsidy for acquisition of gold	40	12	..
(*h*) Family Planning	1,10	2,00	3,00
(*i*) Other Miscellaneous Grants	2,63	4,94	4,20
17. Write back of Capital Grants	8,64	8,36	9,90
II. Grants to Union Territory Governments	..	17,27	25,81
TOTAL	217,55	235,70	289,08

I.A. (*a*).—Provision is made here for the grants payable to the States under the substantive provision of Article 275 (1) of the Constitution which are covered by the recommendations of the Third Finance Commission. Provision has also been made for the payment of a grant-in-aid of Rs. 75 lakhs in the current year and Rs. 2:5 crores next year to the new State of Nagaland under the Order issued by the President under Section 23 of the State of Nagaland Act, 1962. The Order prescribes the percentage of the share of Union Duties of Excise, including additional Excises, Estate Duty and taxes on income generally on the basis

of population of the State for which necessary provision has been made under the respective heads.

I.A. (*b*) *and I.B.* 16 (*c*).—Provision has been made under these heads for Rs. 7·43 crores this year an dRs. 13·36 crores next year for the welfare of Scheduled Tribes and raising the level of administration of Scheduled areas and Rs. 5·5 crores this year and Rs. 9·87 crores next year for the welfare of Backward Classes.

I.B. (1).—Reduction in the number of Police battalions in Assam from 9, as originally anticipated, to 4 for the full year and two for half year accounts for the saving in the current year. Part of the saving, however, will be counter-balanced by increased provision of Rs. 90 lakhs for Police grants to the new State of Nagaland for the four months of the current year.

The full year's provision of Rs. 3·97 crores for Police Grants to Nagaland explains the increase next year.

I.B. (2).—The grants for Scientific and Technical Education are now estimated at Rs. 3·89 crores this year and Rs. 5·44 crores next year as compared to the original expectation of Rs. 4·37 crores.

I.B. (3).—Accelerated Central assistance for Primary Education appointment of additional teachers and increased expenditure on mid-day meals explain the increase in the current year. Larger provision for assistance to the States for General Education, establishment of State Institutes of Education and appointment of additional teachers mainly account for the increase next year.

I.B. (4) *and* (5).—Grants to the States for Medical purposes would amount to Rs. 5·27 crores in the current year and Rs. 5·97 crores next year and for Public Health purposes, other than family planning, Rs. 10·4 crores this year and Rs. 10·21 crores next year.

I.B. (6).—Increased allocation to the States for stepping up agricultural production following the recommendations made by the Central team of the Planning Commission explains the increase in the current year. Further allocation for Plan schemes relating to agriculture, establishment of Agricultural Universities, grant of community awards and prizes and expenditure on Fertiliser Demonstration Scheme are the main factors responsible for larger provision next year.

I.B. (7).—Grants for various Animal Husbandry Schemes are now expected to amount to Rs. 1·98 crores this year and Rs. 2·85 crores next year

I.B. (9).—The details are:

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Development of Handloom Industries	2,90	2,98	2,95
Development of Small-Scale Industries	1,15	1,15	3,00
Development of Handicrafts and Sericulture	60	60	65
Industrial Schemes for rehabilitation of Displaced Persons	1	1	25
Other Items	18	15	20
TOTAL	4,84	4,89	7,05

I.B. (10).—Includes Rs. 12·5 lakhs this year and Rs. 25 lakhs next year for grants for community listening.

I.B. (11).—The saving in the Revised is mainly due to discontinuance of accelerated training programme and recoveries relating to the previous year. Budget next year provides for expansion of Craftsmen Training Scheme and Manpower and Employment Programme.

I.B. (12).—The details of the main items are:

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Dairy Development	1,30	1,18	1,73
Emergency Relief Organisation (Fire Service)	66	66	1
National Sample Survey	14	20	24
Development of Tourist Centres	11	7	15
Improvement of Statistics	9	8	11
National Building Organisation	11	2	14
TOTAL	2,41	2,21	2,38

I.B. (13).—Local publicity of small savings is conducted by the States for which necessary allocations are placed at their disposal. A provision of Rs. 24 lakhs has been made in both the years for this purpose.

I.B. (14).—This head covers the grants for the running of Community Development Blocks for both intensive and post intensive phases for a period of 5 years each. During the intensive phase an allotment of Rs. 2·4 lakhs per block is made of which the Centre's share is Rs. 1·82 lakhs consisting of Rs. 1·02 lakhs as grants and Rs. 80,000 as loans. During the post intensive period an additional allocation of Rs. 1 lakh per block per annum is made of which Centre's share is Rs. 74 thousand (Rs. 53 thousand as grants and Rs. 21 thousand as loans).

During the current year 535 new Blocks have been approved for intensive development which explains the increased requirements next year.

I.B. (15).—Includes Rs. 1·4 crores this year and Rs. 1·72 crores next year for the Centrally sponsored schemes of which Rs. 70 lakhs this year and Rs. 85 lakhs next year are for the soil conservation works in watersheds of River Valley Projects, Rs. 60 lakhs this year and Rs. 75 lakhs next year for plantation of quick growing species and Rs. 10 lakhs this year and Rs. 7 lakhs next year for Dry Farming Demonstration Projects. The rest of the provision is for assisting the State Plan schemes.

I.B. 16(a).—With the merger of the tax on railway passenger fares with the basic fares with effect from April 1, 1961, the Railways are paying a fixed contribution of Rs. 12·5 crores annually which is distributed as grants amongst the different States in accordance with the recommendations made by the Third Finance Commission.

I.B. 16(b).—Includes Rs. 41 lakhs this year and Rs. 25 lakhs next year for the economic rehabilitation of border areas in Assam. By far the major portion of the provision is for the border areas in Uttar Pradesh

I.B. 16 (*e*).—Provision has been made next year for the payment of Rs. 53 lakhs as grants to States for relief to displaced goldsmiths and their families.

I.B. 16 (*f*).—Less expenditure on grants to States on flood relief and other natural calamities accounts for the saving in the current year. Budget next year repeats the original provision of Rs. 5 crores for this purpose.

I.B. 16 (*g*).—Provision is for the subsidy payable to Mysore Government for the gold produced in the Hutti Gold Mines and purchased by Government up to May 16, 1963. The subsidy represents the difference in the market rate and the international price of gold.

I.B. 16(*h*).—Restoration of the cut made last year in the grants for family planning accounts for the increase in the Revised. Further increase next year reflects the measures to be taken for reaching the Plan target.

I.B. 16 (*i*).—Provision has been made for the payment of a subsidy of Rs. 1·5 crores this year and Rs. 50 lakhs next year to Bihar Government representing the interest payable on loans granted for flood control portion of the Kosi Project. Excluding this special item, the bulk of the increase is due to the payment of miscellaneous grants to Nagaland amounting to Rs. 37 lakhs this year and Rs. 15 lakhs next year and grants to other States for town planning, including preparation of master plans, amounting to Rs. 50 lakhs this year and Rs. 70 lakhs next year.

I.B. 17.—Grants given to the States mainly for Local Development Works, Industrial Housing, Slum Clearance, National Water Supply and Sanitation Schemes and roads for inter-State or economic importance including Border roads are, in the first instance, on account of their magnitude, debited to Capital but are written back to Revenue over a period of 15 years. The provision here represents the annual write back to Revenue, the increase next year being attributable to progressive increase in the payment of such Capital grants.

II.—Provision has been made for the payment of grants of Rs. 17·27 crores in the current year and Rs. 25·81 crores next year to cover the difference between their receipts and expenditures on Revenue account. The details are:—

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Himachal Pradesh	..	4,91	7,83
Manipur	..	4,01	5,52
Tripura	..	5,86	7,76
Pondicherry	..	78	1,50
Goa Daman and Diu	..	1,71	3,20
TOTAL	..	17,27	25,81

Other Miscellaneous Contributions and Assignments.—Provision is made under this head for the payment of the net proceeds of terminal, entertainment and other taxes payable to the Delhi Municipal Corporation and other local bodies and also formerly to Territorial Councils. The

discontinuance of the grants for Territorial Councils of Himachal Pradesh Manipur and Tripura account for a saving of Rs. 21 lakhs but this will be almost covered by the increase in the receipts from terminal, entertainment and other taxes collected in Delhi with the consequential increase in the payments to the local bodies. Larger collection of these taxes in Delhi account for the increased payments to ths local bodies next year.

EXTRAORDINARY ITEMS

This group head records extraordinary items which have to be distinguished from the ordinary items. Details by heads of account are:

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Extraordinary charges	46,66	65,66	142,26
Pre-partition payments	22	16	
Expenditure connected with the National Emergency	39,31	18,24	5,06
TOTAL	86,19	84,06	147,52

Extraordinary charges.—Apart from the provision for the transfer of grants from U.S.A. under P.L. 480 Funds to the Special Development Fund, the head includes write-back of the payments under the Indus Water Treaty, which are treated as Capital expenditure initially and written-back to Revenue over a period of 15 years. As indicated under Revenue Estimates, compared to the original expectation of Rs. 45 crores, the grants from U.S.A. from P.L. 480 Funds are now expected to amount to Rs. 64 crores in the current year and Rs. 140 crores next year which would require a corresponding increase in the provision for transfer to the Fund. Up to the end of the current year these grants have been released by the U.S. authorities in re-imbursement of the expenditure actually incurred on approved Plan projects. With effect from next year it has been agreed that the grants will be paid on an advance basis as soon as the Project Agreements are signed between the two Governments. This change in the procedure for payment explains the large increase next year, the increase in the current year being due to quicker progress of expenditure on agreed projects. The write-back for Indus Water Treaty payments would amount to Rs. 1·66 crores in the current year and Rs. 2·21 crores next year. Provision has also been made for an expenditure of Rs. 5 lakhs on the installation of wireless stations which would ultimately be recoverable, under the Treaty, from Pakistan.

Expenditure connected with the National Emergency.—This composite head accommodates special items of expenditure arising out of the present emergency, such as Civil Defence, training of Wireless Operators, Mobile Civil Emergency Force, National Labour Corps, and also transfer of the premiums realized under the Emergency Risks (Goods) and Emergency Risks (Factories) Insurance Acts to the respective Funds. With the progressive reduction in the rate of premium payable during the first three-quarter of the year and its suspension in the last quarter, the premiums to be realized in the current year are now estimated at Rs. 14·7 crores only as compared to the original expectation of Rs. 36 crores. In addition, provision of Rs. 2·12 crores is also required in the current year

for transfer to the Funds of the additional receipts actually realized last year in excess of the supplementary grant obtained in that year. Budget next year provides for a transfer of Rs. 3 crores on account of arrear premium receipts likely to be received in that year. The other expenditure on emergency measures is expected to amount to Rs. 1·42 crores in the current year and Rs. 2·05 crores next year as compared to the original Budget of Rs. 3·31 crores. The drop in the current year is due mostly to the delay in the purchase of Civil Defence equipment. Provision for the purchase of this equipment partly counter-balanced by the saving caused by the abandonment of schemes for training of Wireless Operators and Drivers accounts mainly for the increase next year.

DEFENCE SERVICES

Details by major heads are given below. The variations are explained in the Memorandum on Defence Services Estimates:

(In lakhs of Rs.)

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
Army	5,46,01	5,20,82	5,52,78
Navy	22,60	21,90	22,53
Air Force	1,21,52	1,32,07	1,21,65
Non-effective Charges	18,38	17,76	20,84
TOTAL	7,08,51	6,92,55	7,17,80

SECTION III

CAPITAL RECEIPTS AND DISBURSEMENTS

SECTION III

CAPITAL BUDGET

INTRODUCTORY NOTES

The estimates of the Receipts and Disbursements on Capital Account of the Central Government are explained in this Section. These cover the receipts and disbursements connected with the capital schemes undertaken by the Central Government, the borrowings at home or abroad, in the form of market and other loans, Gold Bonds, Premium Prize Bonds, Annuity Certificates, Treasury Bills, Post Office Savings Bank including the Cumulative Time Deposits Scheme, the National Defence Certificates issued through Post Offices and the Defence Deposit Certificates sold through the Public Debt offices, Post Offices, Treasuries and Sub-treasuries and the Income-tax Annuity Deposits, etc. They also cover a variety of other items such as the National Defence Fund, the State Provident Funds, the investments of deposits of U.S. Government P.L. 480 counterpart funds, the various deposits under the Income-tax Act, the depreciation and reserve funds of departments like Railways and Posts and Telegraphs and special *ad hoc* funds created from time to time by Government. It is difficult, in the compass of a brief note, to indicate fully the scope and variety of these miscellaneous items but the details of these are given in Statement C of the Annual Financial Statement.

The capital requirements of Government are ordinarily met from four sources. Firstly, regular loans are floated and, in the case of short term requirements, treasury bills are issued, ordinarily for a period of 91 days at a time. Secondly, there is the flow of money through the Post Office Savings Bank, Defence Savings Certificates and other small savings schemes. Thirdly, there are the receipts into the various depreciation reserve and other funds and under the deposit heads and the investment in special securities of P.L. 480 counterpart funds deposited by U.S. Government with the Reserve Bank of India. Fourthly, any sum provided in the revenue budget for reduction or avoidance of debt or for debt redemption is also available, as it is transferred to capital by debit to the revenue budget. To the extent to which the receipt from these sources is insufficient to meet the capital requirements, the deficit has to be made good from revenue, the accumulated cash balances, and if neither is available, by the issue of *ad hoc* treasury bills to the Reserve Bank. Conversely, any surplus of capital receipts over disbursements is available for covering a revenue deficit or for augmenting the cash balances of Government or for cancelling the *ad hoc* treasury Bills held by the Reserve Bank.

The statement on the following two pages summarises the capital transactions included in the budget for the current and ensuing years and indicates the sources from which capital requirements will be met.

SUMMARY OF CAPITAL

RECEIPTS

	Accounts, 1962-63	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
			(In Lakhs of Rupees)	
New Loans in India	328,94	393,00	441,70	295,00
Gold Bonds	3,39	1,00	5,22	..
Prize Bonds/Premium Prize Bonds	4,23	6,00	5,00	5,00
15-Year Annuity Certificates	48	50	40	45
Foreign Loans	339,57	462,43	502,56	696,97
Special Floating Loan	3,45	3,45	3,45	3,45
Net receipts from :				
Treasury Bills	124,57	181,00	42,00	96,00
National Defence Fund	41,40	19,75	—5,97	14
Investment of U.S. Government Counterpart Deposit Funds	48,07	90,00	65,42	—84,84
Defence Deposit Certificates	9,77	23,00	22,00	22,48
Treasury Savings Deposit Certificates	23	—7,58	—5,40	—5,15
Income Tax Annuity Deposits	..	..	..	67,00
Post Office Savings Bank Deposits	4,66	33,00	33,00	33,50
Compulsory Deposits	..	25,00	15,00	..
Cumulative Time Deposits	5,36	9,00	9,00	12,00
12-Year National Defence Certificates	53,59	85,00	100,40	102,00
12-Year National Plan Savings Certificates	19,59	—21,80	—25,20	—23,50
National Savings and Other Certificates	—19,29	—15,82	—18,90	—16,43
Other Unfunded Debt	41,84	46,92	50,33	55,65
Railway Pension, Depreciation, Revenue Reserve and Development Funds	15,28	22,04	23,62	31,97
Telephone Development Fund	135	80	1,37	15
P. & T. Renewals Reserve and other Funds	10,63	13,24	17,04	11,00
Emergency Risks (Goods)and (Factories) Insurance Funds	9,00	32,94	16,54	2,78
Sale proceeds of American and Lease—Lend Surpluses	..	..	..	4,33
Appropriation for Reduction or Avoidance of Debt.	5,00	5,00	5,00	5,00
Deposits under Income Tax Act (Net)	—3,93	—19	—36	—4
Discount Sinking Fund (Net)	60	189	87	1,72
Payment by Reserve Bank for Rupee Coin	4,78	5,00	5,00	..
Repayment of Advances by State Governments	144,75	194,87	185,73	238,92
Repayment of Other Loans and Advances	26,12	53,62	42,56	46,03
Other Deposits and Advances (Net)	160,63	172,91	206,73	376,10
TOTAL	13,84,06	18,35,97	17,44,11	19,77,68
Deficit on Capital Account	94,97	..	105,96	83,67
GRAND TOTAL	14,79,03	18,35,97	18,50,07	20,61,35

TRANSACTIONS

DISBURSEMENTS

	Accounts, 1962-63	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
			(In Lakhs of Rupees)	
Capital Outlay :				
Agricultural Improvement and Research	3,89	2,95	1,99	2,82
Industrial Development	171,35	224,00	208,52	217,22
Broadcasting	1,27	1,75	1,50	1,45
Multi-purpose River Schemes, Irrigation and Electricity Schemes	3,56	11,43	7,72	10,72
Public Works	41,64	68,11	70,44	66,06
Delhi Capital Outlay	6,84	7,38	11,98	13,73
Dandakaranya Development Scheme	4,21	3,46	4,38	4,25
Other Works	3,74	5,93	3,49	3,46
Ports	2,04	5,96	4,45	2,48
Lighthouses and Lightships	—1	20	..	..
Aviation	2,93	3,66	3,66	4,95
Road and Water Transport Schemes	42	1,29	3	..
Overseas Communications Service	39	40	40	29
Shipping, Tankers, etc.	1,00	1,33	60	1,32
Currency and Coinage	8,62	11,54	13,07	8,61
Mints	4	19	19	33
Kolar Gold Mines	18	3,35	3,30	56
Commuted Value of Pensions	24	14	39	40
Sterling Pensions	—3,70	—3,74	—3,74	—6,34
Schemes of Government Trading	—22,19	49,69	30,07	31,03
Grants for Development	15,39	18,55	17,80	21,38
Compensation to Displaced Persons	—4,28	—4,35	—8,08	—5,16
Transfer of Development Assistance from the Govt. of U.S.A.	82,44	61,55	67,83	174,78
Payments under Indus Waters Treaty	6,89	6,63	6,63	6,08
Other Civil Heads	81	75	32	37
Defence	48,61	158,72	115,63	136,10
Railways	214,89	218,50	237,25	253,00
Posts and Telegraphs	20,96	28,00	30,24	20,59
Discharge of Permanent Debt	228,89	231,57	239,94	259,61
Discharge of Special Floating Debt	..	3,43	3,43	3,43
Inter-State Settlement	—1,76	90	90	..
Advances to State Governments	511,09	529,14	607,42	595,18
Loans to Union Territory Governments	..	..	11,33	15,91
Other Loans and Advances	128,64	167,84	156,99	216,74
TOTAL	..	18,20,25	18,50,07	20,61,35
Surplus on Capital Account	..	15,72	..	..
GRAND TOTAL	14,79,03	18,35,97	18,50,07	20,61,35

CAPITAL RECEIPTS

New Loans in India.—The current Budget assumed a credit of Rs. 393 crores from market loans in India including Rs. 100 crores to be raised on behalf of the States, following the decision to go in for combined market borrowings on behalf of the Central and the State Governments. On the basis of the loans actually floated during the year and also after taking into account the conversion of *ad hoc* treasury bills of the value of Rs. 75 crores into dated securities the Revised Estimates are placed at Rs. 441·70 crores while the next Budget assumes a credit of Rs. 295 crores from new loans in India. The details are:—

Name of Loan	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)	
1. 4% Loan, 1969	20288	..
2. 4½% Loan, 1986	7810	..
3. 4¼% Loan, 1973	15900	..
4. 4¼% National Defence Bonds, 1972	172	..
5. New Loans	..	29500
TOTAL	44170	29500

The loan floatations during the year were made in two instalments. In May 1963, two new conversion loans, namely, 4 per cent Loan, 1969 and 4½ per cent Loan, 1986 were issued for subscription by the holders of the 3 per cent Loan, 1963—65 and the 3½ per cent Bonds, 1963. In July, 1963 a further tranche of the 4 per cent Loan, 1969 and a new 4¼ per cent Loan, 1973 were issued for public subscription both against cash and conversion of a number of Central and State Government loans maturing during the year. Further the 4¼ per cent National Defence Bonds, 1972 the sale of which commenced on the 10th November, 1962 continued till the 29th April, 1963. The total subscriptions against these issues amounted to Rs. 366·70 crores (including Rs. 1·72 crores from the sale of National Defence Bonds) and comprised Rs. 208·75 crores received in cash and Rs. 157·95 crores against conversion of maturing loans. Of this a sum of Rs. 101 crores was made over to the States in the form of 10 year-loans as their share of the combined borrowing. The share of each State was determined generally on the basis of the gross amount borrowed by it from the market in 1962-63.

As mentioned earlier, in January, 1964, *ad hoc* treasury bills of the value of Rs. 75 crores were converted into further issues of 4¼ per cent Loan, 1973 (Rs. 50 crores) and 4½ per cent Loan, 1986 (Rs. 25 crores).

Next Budget assumes a credit of Rs. 295 crores for the new market loans to be floated in India which does not include any amount to be raised on behalf of the States as it has since been decided to allow the States to resume the former procedure of floating separate loans.

Gold Bonds.—The 6½ per cent Gold Bonds, 1977 were on sale from the 12th November, 1962 till the 28th February, 1963 against the tender of gold, gold coins or ornaments to be valued after assay at the I.M.F. rate of Rs. 53·58 per 10 grammes of ·995 fineness. The total value of the gold subscribed amounted to Rs. 8·61 crores. The gold will be taken in Government reserves by credit to 'Public Debt' by *per contra* debit under "Capital Outlay on Currency and Coinage." Adjustment to the extent of Rs. 3·39 crores was effected in 1962-63 while the balance of Rs. 5·22 crores has been adjusted during the current year, for which necessary credit is taken here.

Premium Prize Bonds.—The Premium Prize Bonds, 1963 were on sale from the 1st January, 1963 until the 31st December, 1963. The Bonds which were issued in 2 denominations, *viz.*, Rs. 5 and Rs. 100 in the form of bonds payable to bearer are repayable after five years from the date of purchase with an income-tax-free premium of 10 per cent of the face value. The Bonds will participate in two draws to be held in 1964 for prizes which will be awarded on sold Bonds only, the prize money also being income-tax-free. The total prize money available at each draw is Rs. 5 lakhs for every one crore of rupees of bonds sold in each denomination, their number being 243 for the Rs. 100 denomination and 568 for the Rs. 5 denomination. The highest prize in the case of Rs. 100 denomination is Rs. 50,000 and the lowest Rs. 1,000, the corresponding prizes in the case of Rs. 5 denomination being Rs. 15,000 and Rs. 500. The total sale of the Premium Prize Bonds, 1963 during the calender year 1963 amounted to Rs. 5·75 crores.

A new scheme of Premium Prize Bonds, 1964 has been introduced with effect from the 1st January, 1964. The scheme is identical to that of Premium Prize Bonds, 1963, the draws relating thereto being held in 1965. A minor procedural change has, however, been made in the manner of awarding prizes. In the case of Premium Prize Bonds, 1963, in the event of an unsold number being drawn, the prize is to be awarded to the next lower sold bond, while in the new scheme the process of drawing the prizes will continue until a sold bond draws a prize.

The sale during the current year under the two schemes is estimated at Rs. 5 crores. Next Budget also assumes a credit of Rs. 5 crores.

15-*Year Annuity Certificates.*—These certificates are intended for those who wish to secure a regular monthly payment against a lump sum investment. The first series were introduced with effect from the 1st July, 1954, but were discontinued on the introduction of a second series with effect from the 2nd January, 1958. The certificates are available in five denominations, namely, Rs. 1,330, Rs. 3,325, Rs. 6,650, Rs. 13,300 and Rs. 26,600 and secure for the investor a monthly payment, free of income-tax, of Rs. 10, Rs. 25, Rs. 50, Rs. 100 and Rs. 200, respectively, the return being 4·25 per cent as compared with 3·5 per cent on the earlier series. The maximum purchase by a single individual is limited to Rs. 26,600 and by two persons jointly to Rs. 53,200 but if the two series are taken together, the maximum limits are Rs. 28,000 and Rs. 56,000 respectively.

The sales of Annuity Certificates are estimated at Rs. 40 lakhs in the current year and at Rs. 45 lakhs in the next year.

Foreign Loans.—The current Budget assumed a credit of Rs. 462·43 crores for loans to be obtained from various foreign sources. The Revised Estimates in this regard are placed at Rs. 502·56 crores, while the next Budget assumes a credit of Rs. 696·97 crores. The details are:

Source of loan	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)	
1. Defence Certificates	7	..
2. U. S. A.	20651	28057
3. EXIM Bank, U.S.A.	1884	1243
4. U. S. S. R.	8300	8163
5. United Kingdom	6140	2115
6. Canada	531	513
7. Federal Republic of Germany	2970	2757

Source of loan	Revised, 1963-64	Budget, 1964-65
	(In Lakh of Rupees)	
8. Japan	1159	2300
9. Switzerland	200	400
10. Czechoslovakia	100	400
11. Yugoslavia	105	466
12. Poland	260	550
13. Austria	45	366
14. Netherlands	50	300
15. France	..	128
16. Denmark	10	93
17. Belgium	..	80
18. New Zealand	33	..
19. Federation of Rhodesia and Nyasaland	133	..
20. I.B.R.D.	703	621
21. International Development Association	6223	2608
22. New Credits	752	18537
TOTAL	50256	69697

The 10-Year Defence Certificates which were placed on sale with effect from the 20th December, 1962 at the Indian Missions in U.K. and U.S.A. and later in Canada and at Hong Kong in order to afford an opportunity to Indian and non-Indian residents abroad to contribute to the defence of India, were withdrawn at the end of December, 1963. These Certificates are repayable 10 years from the date of purchase with a premium of 60 per cent which is not liable to Indian income-tax. The total sale of the Certificates amounted to Rs. 9·24 lakhs of which Rs. 2·44 lakhs were realised in 1962-63 and the balance of Rs. 6·80 lakhs in the current year.

The details of the other loans raised abroad are given in the Annexure. XIV.

Special Floating Loan.—This head accommodates the credit taken for the special securities issued in payment of India's subscription to the International Monetary Fund, the International Bank for Reconstruction and Development and the International Development Association. India's subscription to the I.M.F. amounts to $ 600 million and that to the I.B.R.D. $800 million of which $80 million only have so far been called up. These subscriptions were payable partly in gold and partly in non-negotiable, non-interest bearing rupee securities. Accordingly, securities of the value of Rs. 249·89 crores and Rs. 33·93 crores have so far been issued to the I.M.F. and the I.B.R.D., respectively. The membership of the I.D.A. involves a total subscription of Rs. 19·21 crores of which Rs. 4·42 crores were paid in 1960-61 and Rs. 3·70 crores each during 1961-62, 1962-63 and 1963-64. A further sum of Rs. 3·70 crores is payable next year, partly in U.S. dollars and partly in the form of non-negotiable, non-interest bearing rupee securities. The value of the securities to be issued to the I.D.A. during the current year as also next year amounts to Rs. 3·45 crores each for which credit is taken under this head.

Treasury Bills.—The current year's Budget assumed a net expansion of treasury bills to the extent of Rs. 181 crores. This is now expected to be reduced to Rs. 42 crores. The net expansion of treasury bills to

cover the overall gap next year after taking into account the effect of the Budget proposals is estimated at Rs. 96 crores.

On the basis of these estimates, the total outstanding treasury bills after taking into account the conversion of *ad hoc* Treasury Bills of Rs. 600 crores upto 1962-63 and Rs. 75 crores this year would amount to Rs. 1342 crores and Rs. 1438 crores at the end of the current and the next year, respectively.

National Defence Fund.—This Fund was set up with effect from the 27th October, 1962 in order to canalise voluntary contributions in cash, gold and other forms. The Fund is intended to be utilized for all defence purposes including the welfare of armed services and their families. Collections are receivable at all Offices of the Reserve Bank, the State Bank and its subsidiary Banks and certain commercial banks as well as Post Offices. Collections arising within a State are transferred weekly to the State Bank Branch at the headquarters of the State and thereafter daily to the Central Account at the Reserve Bank in New Delhi. Small imprests have been allowed to Chief Ministers of States for meeting expenses on collections and other emergent needs. The Fund is managed by a Committee with the Prime Minister as its Chairman and the Finance Minister as its Treasurer.

The cash contributions to the Fund amounted to Rs. 50·30 crores in 1962-63 while those during the current year are placed at Rs. 8 crores. In addition, gold amounting to 2656467 grammes has been contributed upto January, 1964 which after assay and valuation at the official rate will be credited here by *per contra* debit to 'Capital Outlay on Currency and Coinage'. An amount of Rs. 114 lakhs is expected to be credited during the current year and Rs. 14 lakhs next year.

The National Defence Fund Committee authorised the utilisation of Rs. 8 crores during 1962-63 and of Rs. 14·93 crores during the current year for purchase of defence equipment, the expenditure on which is met from the Defence estimates. The amounts so authorised are debited here and credited as 'Receipts connected with the National Emergency' in the Revenue Section. In addition, an expenditure of Rs. 18 lakhs has also been met from the Fund during the current year. Accordingly, the Fund will show a net debit of Rs. 5·97 crores this year.

Investment of U.S. Government Counter-part Deposit funds.—The rupee equivalent of the dollar cost of surplus agricultural commodities imported under P.L. 480 of U.S.A. together with 50 per cent of the ocean freight costs is deposited in the U.S. Government Title Account in India. A major portion of the rupee deposits is made available to the Government of India as loans and grants for expenditure incurred on mutually agreed development projects and the balance is retained by the U.S. Government partly for its own use and partly under the Cooley amendment to P.L. 480 for giving loans to U.S. firms or their affiliates for investment in India. Previously these deposits were made mainly with the State Bank of India, who, in turn, invested them in the Government of India securities and market loans. This arrangement was changed with effect from the 12th May, 1960 and the counterpart funds are now deposited directly with the Reserve Bank of India who invest them in special non-negotiable securities of the Government of India. These securities are repayable on demand and carry interest at 1½ per cent per annum. The deposits previously made with the State Bank are also being gradually transferred to the Reserve Bank for investment in these securities.

The net investments in the special securities till the end of 1962-63 amounted to Rs. 342·61 crores of which Rs. 194 crores represent the transfer of the moneys previously deposited with the State Bank. The net investment during the current year is now estimated at Rs. 65·42 crores including Rs. 30 crores to be transferred from the State Bank. Following the change over from the 'reimbursement' system of drawal of P.L. 480 assistance to the 'advance' system as explained under 'Extraordinary Receipts' in the Revenue Section, next Budget provides for disinvestment of the special securities to the extent of Rs. 84·84 crores, after allowing for Rs. 40 crores to be transferred from the State Bank. The extent of loans and grants to be given to the Government of India out of PL 480 deposit funds is estimated at Rs. 129 crores this year and Rs. 313 crores next year, for which credit has been taken in the Revenue Section on account of grants and under Public Debt for loans.

Defence Deposit Certificate.—The 10-Year Defence Deposit Certificates which were placed on sale with effect from the 10th November, 1962 are issued in multiples of Rs. 50 and entitle the investor to an annual tax-free interest of 4½ per cent provided they are retained upto maturity, after 10 years. The Certificates can be encashed any time after the initial lock-up period of one year, after refunding a part of the interest drawn. The limit for individual holding is Rs. 35,000 and for joint holdings Rs. 70,000 inclusive of the Certificates of earlier series. Local authorities and institutions, donations to which are exempt from income tax, are allowed to invest upto Rs. 1 lakh but for other institutions the limit is Rs. 50,000. Provident Fund moneys can be invested without any limit. These Certificates are, since the 1st August 1963, also available at the Post Offices besides the Reserve Bank, the State Bank and its subsidiaries conducting Government treasury business, Treasuries and Sub-treasuries.

The current year's Budget assumed a net credit of Rs. 23 crores on account of the sale of Defence Deposit Certificates. The gross sales on the trend of actuals are now estimated at Rs. 22·20 crores, while the discharges are placed at Rs. 20 lakhs, giving a net credit of Rs. 22 crores. Next Budget allows for some improvement and assumes a net credit of Rs. 22·48 crores.

Treasury Savings Deposit Certificates.—These comprise the 3½ per cent Treasury Savings Deposit Certificates and the 4 per cent Treasury Savings Deposit Certificates, the sale of which was discontinued with effect from the 1st June, 1957 and 10th November, 1962, respectively. The repayments on these Certificates are estimated at Rs. 5·4 crores this year and Rs. 5·15 crores next year.

Income-Tax Annuity Deposits.—The Finance Act, 1964, introduced certain provisions in the Income-tax Act, 1961 requiring assessees who are resident in India (excepting individuals of foreign nationality, registered firms, co-operative societies and companies) and whose income exceeds Rs. 15,000, to make annuity deposits. The amount of the annuity deposit is to be calculated on the total income of the assessee (subject to certain adjustments) at the rates prescribed in the Second Schedule to the Finance Act, 1964, *viz.*, 5 per cent where the income is between Rs. 15,001 to 20,000; 7½ per cent where it is between Rs. 20,001 to 40,000; 10 per cent where it is between Rs. 40,001 to 70,000; and 12½ per cent where it exceeds Rs. 70,000. The calculation is subject to marginal adjustment as specified in the Second Schedule to the Finance Act, 1964.

The first assessment year for which annuity deposits have to be made is the assessment year 1964-65. Advance annuity deposits have also to be

made during the year 1964-65 in respect of the income assessable for the assessment year 1965-66. Certain types of income such as capital gains, salary for a past year received in arrears, and share of income in an unregistered firm which is liable to make an annuity deposit in respect of its income are, however, not to be taken into account in calculating the amount of annuity deposits. Deposits under the scheme can be made in instalments during a year. Certificates known as Annuity Deposit Certificates will be issued in denominations of Rs. 10, Rs. 100 and Rs. 1,000 to the assessees making the deposits. Payment of the annuities, which will be liable to tax as income, will be spread over ten years. Beginning from one year after the date on which the deposit has been made, the depositor will receive an annuity of Rs. 1·25 for every ten rupees. The rate of interest works out to a little over 4¼ per cent.

Next Budget assumes a credit of Rs. 67 crores under the scheme.

Post Office Savings Bank Deposits.—The Post Office Savings Bank deposits carry, with effect from 1st August, 1962, interest at 3 per cent per annum, free of income tax, on balances up to Rs. 10,000 (Rs. 20,000 in the case of joint accounts) and 2½ per cent, free of income tax, on balances exceeding Rs. 10,000 (Rs. 20,000 in the case of joint accounts). The maximum holding for one person is Rs. 15,000 and for two persons Rs. 30,000. No limits are applicable to public accounts on which interest is payable at 2½ per cent.

The current Budget assumed a net credit of Rs. 33 crores for Post Office Savings Bank deposits. The gross deposits on the trend of actuals are now estimated at Rs. 250·75 crores and withdrawals at Rs. 217·75 crores giving a net credit of Rs. 33 crores including Rs. 16·77 crores for adjustment of interest of which Rs. 3·77 crores relate to the adjustments pertaining to 1962-63. Next Budget allows for some improvement and assumes a net credit of Rs. 33·50 crores including Rs. 14·30 crores on account of interest.

Cumulative Time Deposits Scheme.—This scheme which is operated at all Post Offices doing savings bank work provides for monthly deposits for a period of 5, 10 and 15 years, which are repayable at the end of the period with compound interest yielding a return, free of income-tax, of about 3·3 per cent, 3·8 per cent and 4·3 per cent per annum, respectively. Deposits are accepted in denominations of Rs. 5, 10, 20, 50, 100, 200 and 300, the maximum being Rs. 200 for a 5-Year and a 10-Year account and Rs. 300 for the 15-Year account. The limits in the case of joint accounts are double those of the single accounts. The deposits in the case of 10-Year and 15-Year accounts also qualify for rebate on Income Tax in the same manner as life insurance premiums and contributions to recognised Provident Funds and subject to the same limits, namely, Rs. 10,000 or ¼th of the income per annum, whichever is less.

The current year's Budget assumed a net credit of Rs. 9 crores under this scheme which is being repeated in the Revised. Next Budget allows for improvement taking into account the measures taken to popularise the scheme and accordingly takes a net credit of Rs. 12 crores.

12-Year National Defence Certificates.—The 12-Year National Defence Certificates which were placed on sale with effect from the 15th November, 1962 carry a tax-free yield of 6·25 per cent simple or 4·75 per cent compound provided the Certificates are held upto maturity, after 12 years. The Certificates can be encashed any time after the initial lock-up period of one year, the yield in such cases increasing with the period for which

they are held. The limit for individual holding is Rs. 35,000 and for joint holdings Rs. 70,000 inclusive of the Certificates of earlier series. Co-operative Societies, local authorities and registered associations, donations to which are exempt from income tax, are allowed to invest upto Rs. 1 lakh. Provident Fund moneys can be invested without limit.

The current year's Budget assumed a net credit of Rs. 85 crores on account of the sale of these certificates. On the trend of actuals, the gross sales during the year are expected to amount to Rs. 104 crores and the discharges to Rs. 3·60 crores, giving a net credit of Rs. 100·40 crores. Next Budget allows for further improvement and assumes a net sale of Rs. 102 crores.

Uncurrent Post Office Savings Certificates.—These comprise the Defence Savings Certificates, the Post Office Cash Certificates, the National Plan Certificates, the National Savings Certificates and the 12-year National Plan Savings Certificates, the sale of which was discontinued from October, 1943, June, 1947, June, 1957, June, 1957 and 15th November, 1962, respectively. The estimates of repayments on account of these Certificates are as follows :—

(In Lakhs of Rupees)

	Revised, 1963-64	Budget, 1964-65
Defence Savings Certificates	—2	—1
Post Office Cash Certificates	—15	—15
National Plan Certificates	—100	—120
National Savings Certificates	—1772	—1506
National Plan Savings Certificates	—2520	—2350
State Certificates	—1	—1
TOTAL	—4410	—3993

Other Unfunded Debt.—The transactions under this head relate mainly to the State Provident Funds, provision being made for the net excess of anticipated credits over debits. The rate of interest allowed on the subscriptions to these funds except in the case of some earlier subscribers who are entitled to a minimum guaranteed rate of 4 per cent, is determined every year on the basis of the average redemption yield during the five calendar years immediately preceding, on the Government of India rupee loans of unexpired maturity exceeding 5 years, rounded off to the nearest quarter. The rate for the current year as well as the next year is 4 per cent per annum.

A net credit of Rs. 46·92 crores was assumed under this head in the current Budget, the bulk of which (Rs. 45·57 crores) related to the State Provident Funds. The Revised Estimates in this regard are placed at Rs. 50·33 crores, the State Provident Funds accounting for Rs. 49·00 crores. The increase over the current Budget is mainly due to lesser number of railway employees opting for pension scheme than expected and consequential larger contributions to the Provident Funds. A part of the increase is also due to increased contributions from the Defence Services personnel. Next year's estimates allow for normal increase as well as postponement of repayment following the increase in the age of retirement by 3 years. Budget accordingly assumes a net credit of Rs. 55·65 crores under this head.

Railway Funds.—These comprise mainly the Depreciation, the Development and the Revenue Reserve Funds. The Railways have also decided to constitute a Pension Fund to meet the pensionary charges of Railway

employees. Suitable amounts will be transferred annually to the Fund by debit to 'working expenses'. The pensionary charges will also be initially met by debit to working expenses and simultaneously shown as recovered from the Pension Fund. An amount of Rs. 19·59 crores is proposed to be transferred to the Fund in 1964-65, the anticipated debit to the Fund on account of pensionary charges being Rs. 4 crores. Provision for the anticipated transactions relating to these Funds appear in the Railway Budget.

Telephone Development Fund.—Rentals for 20 years recovered in advance from subscribers who elect to own their telephones are credited to this Fund to be utilised for financing capital expenditure on providing telephone connections. The amounts so collected are initially credited to revenue and corresponding amounts are transferred to the Fund through the expenditure head. The appropriations from the Fund are taken in reduction of the capital expenditure on Posts and Telegraphs.

The current Budget took credit for Rs. 130 lakhs under this head based on the anticipated receipts. The receipts during the current year are now expected to amount to Rs. 160 lakhs. In addition, a sum of Rs. 27 lakhs relating to the realisations in 1962-63 has also to be transferred to the Fund this year. Accordingly, the Revised Estimates take credit for Rs. 187 lakhs under this head, while next year's estimates assume a credit of Rs. 65 lakhs. The withdrawals from the Fund are estimated at Rs. 50 lakhs both this year and next year.

P. and T. Renewals Reserve and Other Funds.—The details are :—

	Budget, 1963-64	Revised, 1963-64	Budget 1964-65
		(In Lakhs of Rupees)	
P. and T. Renewals Reserve Fund			
Credit	14,74	11,74	12,94
Debit	1,50	1,22	5,90
Net (+)	13,24	10,52	7,04
P. and T. Development Fund:			
Credit	..	2,55	1,88
Debit	..	..	4
Net (+)	..	2,55	1,84
P. and T. Revenue Reserve Fund :			
Credit	..	3,97	2,12
Debit	..	..	..
Net (+)	..	3,97	2,12
GRAND TOTAL	13,24	17,04	11,00

Contributions to the Renewals Reserve Fund were hitherto made on an *ad hoc* basis. It has now been decided to provide for depreciation with reference to the value of the assets and their estimated life which explains the decrease in the credit to the Fund in the Revised. The balance of the P. & T. surplus will be transferred to the Development and Revenue Reserve Funds.

The Renewals Reserve Fund is utilised for meeting the expenditure on renewals and replacement of assets. The Development Fund is intended for meeting works expenditure on construction of staff quarters,

office-cum-residential buildings for Post Offices in rural and outlying areas, amenities to the public and staff and projects which are initially unremunerative. The expenditure met out of the Renewals Reserve Fund is placed at Rs. 122 lakhs this year and Rs. 590 lakhs next year. Next Budget also provides for an expenditure of Rs. 4 lakhs out of the P. & T. Development Fund.

Emergency Risks Insurance Funds.—The premiums realised under the Emergency Risks (Goods) and (Factories) Insurance Acts are transferred to these Funds, provision for the purpose being made in the Expenditure estimates. The expenditure on the working of the schemes as well as the payments made thereunder are also provided in the Expenditure estimates and simultaneously shown as recovered from the Funds. On the basis of the estimated premium receipts, the transfers to the Fund are placed at Rs. 5·85 crores this year and Rs. 1 crore next year for Goods insurance and Rs. 10·97 crores this year and Rs. 2 crores next year for Factories Insurance. Likewise on the basis of the Expenditure estimates relating to the scheme, the withdrawals from the Fund are placed at Rs. 28 lakhs this year and Rs. 22 lakhs next year, thus giving a total net credit under the two Funds of Rs. 1654 lakhs this year and Rs. 278 lakhs next year. As the recoveries have been suspended from the last quarter of the current year, next year's provision reflects arrear payments for the earlier period.

New Reserve Funds :

A new Marketing Development Fund was established during the year with a view to stimulate and diversify the Indian export trade and will be utilised for meeting expenditure on schemes and projects for the development of markets abroad. The Revised includes a provision of Rs. 50 lakhs each for transfer to the Fund as also for expenditure on export promotion measures to be met from the Fund.

Two new Reserve Funds are proposed to be established next year as a tourist promotion measure, *viz.* the Civil Aviation Development Fund and the Hotel Development Fund. The former will be utilised mainly for providing subventions to the Indian Airlines Corporation for operating services which the Corporation would not otherwise undertake on purely commercial considerations, but which Government may consider necessary in the interest of tourist promotion or for other considerations. A provision of Rs. 1 crore has been included in the next year's expenditure estimates for transfer to the Fund. The Hotel Development Fund will be utilised mainly for putting up hotels in the public sector in places where adequate hotel accommodation for tourists is not available. Next year's expenditure estimates include a provision of Rs. 50 lakhs for transfer to the Fund. Pending the working out of details the expenditure estimates do not include any provision for the utilisation of the two Funds.

Compulsory Deposits.—Consequent on the enactment of the Compulsory Deposits Scheme Act, 1963, two schemes, one for the income-tax payers and the other for employees not liable to income-tax, were introduced with effect from the 1st July, 1963. The scheme relating to employees was withdrawn with effect from the 23rd September, 1963, the deposits already made being refundable together with interest. The

schemes for the other classes to which the Act was applicable, *viz.*, the land revenue payers, urban immovable property holders and persons liable for Sales Tax, were also not introduced. The net receipts on account of Compulsory Deposits during the current year are accordingly estimated at Rs. 15 crores mainly from the income-tax payers as against the original estimate of Rs. 25 crores. With the discontinuance with effect from the assessment year 1964-65 of the additional sur-charge on Income-tax levied under the Finance Act, 1963, the Compulsory Deposit Scheme relating to Income-tax payers automatically becomes inoperative. Hence the next budget does not take any credit on this account.

Sale proceeds of American and Lease-Lend surpluses.—During the second world war, the Government of India received certain goods and services from the U.S.A. under the Lease-Lend Scheme. Some stocks and installations accumulated by the American authorities and surplus to their requirements were also left behind by them. Under an agreement reached between the Governments of U.S.A. and India in 1947, all claims arising out of the Lease-Lend Scheme and in relation to the American surpluses were cancelled, subject to the condition that if the sale-proceeds after deduction of customs duty and care and custodial charges, exceeded $ 50 million, half the excess proceeds would be paid to U.S.A. in Rupees to be spent in India. These sale-proceeds are credited in the first instance to a suspense head and after setting off the customs duty and care and custodial charges, the Government of India's share is credited to a capital receipt head "LXX—Sale-proceeds of American and Lease-Lend Surpluses". A sum of Rs. 3·23 crores has so far been credited to the capital receipt head in this manner. The balance outstanding under the suspense head is Rs. 5·39 crores, of which a sum of Rs. 4·33 crores is expected to accrue to the Government of India, the rest being payable to U.S.A. Accordingly, a credit of Rs. 4·33 crores has been assumed in the next year, under this head, representing the Government of India's share in the sale-proceeds of American and Lease-Lend Surpluses.

Appropriation for Reduction or Avoidance of Debt.—Credit has, as usual, been taken under this head for the transfer from revenue in each year of a sum of Rs. 5 crores for Reduction or Avoidance of Debt.

Deposits under Income-tax Act (Net).—Current year's Budget assumed a net withdrawal of Rs. 19 lakhs in respect of the deposits under the Income-tax Act against which the net withdrawals are now estimated at Rs. 36 lakhs this year and Rs. 4 lakhs next year.

Discount Sinking Fund.—When loans are issued at discount the total discount is debited to this head and credit for the face value of the loan is taken under "Public Debt". The discount initially taken to this head is written back to the head "Interest" over the period for which the loan is issued. Current Budget assumed a credit of Rs. 1·89 crores for write back to revenue of discount on loans floated in earlier years. As usual, no provision for any debit under this head was included in the original Budget as discount on new loans to be floated is not known in advance. The debit under this head on account of the discount on loans floated during the year amounts to Rs. 100·92 lakhs, while the credit on account of the write back to "Interest" would be Rs. 187·79 lakhs. Next Budget provides Rs. 172·23 lakhs for write back to Revenue of discount on loans floated up to the end of the current year.

Payment by Reserve Bank of India for Rupee coin.—A sum of Rs. 5 crores was being paid by the Reserve Bank of India to the Central Government under Section 36 of the Reserve Bank of India Act, 1934. Consequent upon the deletion of this provision with effect from 1st February

1964, *vide* Sec. 3 of the Banking Laws (Miscellaneous Provisions) Act, 1963, this amount has ceased to be payable by the Bank with effect from next year, which explains the absence of the provision of Rs. 5 crores in the Budget Estimates for 1964-65.

Repayment of "Advances by State Governments and of Other Loans and Advances".—The principal portion of all repayments of loans is taken here the interest receipts being taken under XVI Interest.

Other Deposits and Advances (Net).—The estimates here show net effect of the transactions occurring under all other sundry Deposit, Suspense, Remittance, etc. heads not dealt with earlier.

DISBURSEMENTS

As explained in the Notes on expenditure met from revenue, the figures of expenditure given here do not agree with those shown in the Demands for Grants, which are for gross amounts excluding recoveries and also where the same major head might appear in more than one Demand. The variations in the figures by major heads given in the Summary of Capital Transactions are explained below:—

Agricultural Improvement and Research.—This head includes provision for contribution to the share capital of Central and State Warehousing Corporations, co-operative societies in Union Territories and National Seeds Corporation, and for capital expenditure on development of marine fisheries, expansion of various research institutes such as the Indian Agricultural Research Institute, the Rice Research Institute and the National Sugar Institute, grow-more-food schemes in Union Territories, the Delhi Milk Supply Scheme, other than for stock in trade and trading operations, and the Central Mechanised Farms at Suratgarh and Jetsar.

The decrease in the Revised is mainly due to the reduced requirements for contribution to the Central and State Warehousing Corporations (Rs. 70 lakhs) and for expenditure on the grow-more-food schemes (Rs. 14 lakhs) and for contribution to the share capital of co-operative societies in Union Territories (Rs. 9 lakhs) consequent on the constitution of Himachal Pradesh, Manipur and Tripura into new Union Territory Governments with Consolidated Funds of their own with effect from the 1st July, 1963. The rest of the saving occurs under the expenditure on the various fisheries schemes, due to delay in construction of fishing vessels and less purchase of stores, partly counter-balanced by larger requirements for the Indo-Norwegian Fisheries Project which is being implemented with Norwegian assistance and was taken over by the Government of India during the year.

The increase in the next Budget is mainly due to the larger requirements for contribution to the Warehousing Corporations (Rs. 40 lakhs) and for capital expenditure on the development of marine fisheries (Rs. 38 lakhs) including the Indo-Norwegian Fisheries project, the various Off-shore Fishing Stations, the Institutes of Fisheries Education and Technology and the scheme for transport of fish by rail. The rest of the increase is due to the larger requirements of the Central Mechanised Farms (Rs. 10 lakhs) and the Delhi Milk Supply Scheme (Rs. 6 lakhs).

Industrial Development.—Details of the provisions are indicated below:—

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)		
Ministry of Education:			
Grants to the Council of Scientific and Industrial Research	260·00	430·00	450·00
Equipment for Indian School of Mines, Dhanbad . .	2·00	1·75	1·75
Share Capital of National Research Development Corporation	5·00	5·00	8·00
Ministry of Finance:			
Investment in Opium Alkoloid Plant	..	..	5·00
Shares of British India Corporation	29·50	22·26	..
Equipment for Proto-type Machines	..	..	2·00
Ministry of Industry:			
Purchase of shares of:			
National Instruments Ltd.	..	8·00	35·00
National Industrial Development Corporation . .	20·00	5·00	..
Hindustan Photo Film Manufacturing Co. . .	135·00	135·00	120·00
Rehabilitation Industries Corporation . . .	35·00	35·00	50·00
Hindustan Cables	..	..	19·00
Precision Instruments, Ltd.	60·00	1·00	50·00
Hindustan Salt Co. Ltd.	13·00	..	13·00
Expenditure on:			
Salt Works	1·00	1·00	2·50
Institute for Small Scale Industries.	12·00	5·50	12·00
[illegible]ry of International Trade:			
[illegible] Minerals and Metals Trading Corporation of [illegible]	..	200·00	..

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
		(In Lakhs of Rupees)	
Ministry of Petroleum and Chemicals :			
Purchase of shares of :			
Drugs Corporation	800·00	900·00	800·00
Hindustan Organic Chemicals, Ltd.	30·00	30·00	30·00
Pyrites and Chemicals Development Corporation	..	55·00	80·00
Oil India Ltd.	50·00	50·00	50·00
Indian Oil Company Ltd.	175·00	175·00	164·00
Indian Refineries Ltd.	..	60·00	765·00
Cochin Refineries Ltd.	..	357·00	..
Fertilizers Corporation of India	786·00	786·00	..
Fertilizers and Chemicals Travancore, Ltd.	140·00	139·93	..
Subscription to debentures of Oil India, Ltd.	625·00	625·00	..
Expenditure on:			
Oil and Natural Gas Commission	2986·00	2886·00	3264·00
Ministry of Steel, Mines and Heavy Engineering:			
Investment in :			
Heavy Structurals Project	1·00	..	10·00
Heavy Plates and Vessels Project	10·00	..	5·00
Pumps and Compressors Project	..	..	2·00
Cast Iron Rolls Project	..	..	1·00
Purchase of shares of :			
Mysore Iron and Steel, Ltd.	1·00	..	1·00
Hindustan Steel Ltd.	10000·00	8100·00	10000·00
Bokaro Steel Ltd.	..	..	1000·00
Heavy Electricals, Ltd.	600·00	900·00	1250·00
Heavy Engineering Corporation	2700·00	3100·00	235·00
Hindustan Machine Tools	..	..	150·00
Machinery Manufacturers Corporation	..	3·38	..
Sikkim Mining Corporation	..	1·76	..
National Coal Development Corporation	1000·00	900·00	900·00
Singareni Collieries Co. Ltd.	..	40·00	[illegible]
National Mineral Development Corporation Ltd.	230·00	230·00	[illegible]
Manganese Ore (India) Ltd.	7·00	7·4[illegible]	[illegible]

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
		(In Lakhs of Rupees)	
Ministry of Transport :			
Investment in :			
Establishment of Second Shipyard	9·80	6·23	4·60
Purchase of Shares of :			
Hindustan Shipyard Ltd.	41·32	41·32	..
Mogul Line Ltd.	..	0·56	..
Central Road Transport Corporation, Ltd.	..	22·50	25·00
Investment in Indian Airlines Corporation	46·17	46·17	125·00
Ministry of Works, Housing and Rehabilitation :			
Purchase of shares of :			
National Building Construction Corporation	12·00	27·00	22·50
Hindustan Housing Factory	3·99	3·99	10·00
Hotel Janpath, Ltd.	..	9·25	1·75
Department of Atomic Energy :			
Acquisition of Land	51·00	16·00	31·50
Buildings and Roads, etc.	86.10	30.40	60.70
Canada India Reactor	..	—429·04	..
Thorium Uranium Plant	0·50	..	0·50
By-product Recovery Plant	100·00	108·00	23·00
Jaduguda Mining Project	90·00	72·28	135·00
Uranium Ore Mill	200·00	200·00	275·00
Laboratories	90·10	63·25	100·01
Central Complex	20·00	15·00	25·00
Stocks and Suspense	10·00	5·00	5·00
Cosmic Ray Research Laboratories	5·30	1·80	3·10
Nuclear Power Stations	619·00	163·39	1354·00
Space Research Programme	23·40	45·46	32·60
Other Miscellaneous expenditure	278·20	207·23	286·30
Less Probable Savings	.	..	—350·01
Department of Posts and Telegraphs:			
Shares of Hindustan Teleprinters Ltd.	..	..	10·00
TOTAL	22400·38	20851·85	21721·80

The decrease in the Revised is mainly due to the reduced requirements of the Hindustan Steel (Rs. 19 crores) and for Atomic Energy Development (Rs. 11 crores). In the latter case, the shortfall is the net result of less expenditure, particularly on Tarapore Atomic Power Project, and the recovery of Rs. 4·29 crores taken in reduction of expenditure on account of aid from Canada to cover the cost of Canada-India Reactor. The requirements of the Oil and Natural Gas Commission and the National Coal Development Corporation also show a fall of Rs. 1 crore each. These savings are, however, partly counterbalanced by the increased requirements for investment in the Cochin Refineries (Rs. 3·57 crores) and Minerals and Metals Trading Corporation (Rs. 2 crores), both of which were set up during the year, Heavy Engineering Corporation (Rs. 4 crores) and Heavy Electricals (Rs. 3 crores) and for payment of grants to C.S.I.R. (Rs. 1·7 crores).

Next Budget provides for larger expenditure on Industrial Development, the main increases being on account of Hindustan Steel (Rs. 19 crores), Atomic Energy development, particularly the Atomic Power Stations (Rs. 14·83 crores), the new Bokaro Steel Plant (Rs. 10 crores), the Indian Refineries (Rs. 7·05 crores) the Oil and Natural Gas Commission (Rs. 3·78 crores) and the Heavy Electricals, Ltd. (Rs. 3·5 crores). These are, however, partly counterbalanced by reduced requirements of Heavy Engineering Corporation (Rs. 28·65 crores) and absence of provision for investment in the Fertilisers Corporation, Oil India debentures, Cochin Refineries and Minerals and Metals Trading Corporation.

Broadcasting.—Provision is made under this head for the capital requirements of the All India Radio the details of which are given in the Demands for Grants.

The decrease in the Revised is mainly due to the anticipated delay in the adjustment of debits for equipment received. The further slight decrease in the next Budget is due to the completion of the major portion of the works relating to Phases I and II of the Medium Wave Plan, partly counterbalanced by the requirements for the adjustment of debits for equipment received.

Multipurpose River Schemes.—Provision is made under this Head for the Centre's share of the Capital Outlay on the Damodar Valley Corporation and for expenditure on the Farakka Barrage Project as well as the Central Water and Power Research Station. The decrease in the Revised is mainly due to less expenditure on the Farakka Barrage Project (Rs. 2·9 crores) following slow progress of work on account of non-availability of construction equipment and machinery. A part of the decrease is due to reduced requirements for direct expenditure on the D.V.C. (Rs. 62 lakhs) consequent on the expenditure being shared by the other participating Governments, to whom loans are allowed for the purpose. Next Budget provides for anticipated accelerated work on the Farakka Barrage Project (Rs. 4·63 crores) and the requirements of the Damodar Valley Corporation (Rs. 4·5 crores).

Irrigation and Electricity Schemes.—The provision relates mainly to the flood control works and electricity supply schemes in the Union Territories The details are as follows:

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
		(In Lakhs of Rupees)	
Electricity Supply Schemes :—			
Andamans	3·50	1·00	3·00
Tripura	16·75	0·69	..
Manipur	18·08	0·64	..
Himachal Pradesh	28·00	—1·63	..
North East Frontier Agency	..	5·05	10·10
Laccadive, etc., Islands	2·00	1·50	1·50
Naga Hills—Tuensang Area	6·00	4·45	..
TOTAL—Electricity Supply Schemes	74·33	11·70	14·60
Flood Control Works :			
Delhi	36·11	94·75	90·17
Manipur	1·00	0·12	..
Tripura	2·75	0·21	..
TOTAL—Flood Control Works	39·86	95·08	90·17

The increase under flood control works is on account of the larger requirements for schemes in the Union Territory of Delhi, partly counter-balanced by the absence of provision for expenditure of the new Union Territory Governments from 1st July, 1963, the latter of which also explains the decrease in the provision for electricity schemes, both in the Revised and the next Budget.

Public Works.—The provision under this head relates to the capital expenditure on Roads, including National Highways and border roads and on buildings, the latter at places other than Delhi. A broad analysis of the provision included in the Budget is given below :—

	Budget, 1963-64	Revised, 1963-64	Budget 1964-65
		(In Lakhs of Rupees)	
National Highways, Border Roads and other Roads	6131·21	6289·46	5720·95
Construction of houses, etc. for displaced persons	26·62	19·93	27·42
Value of buildings transferred to displaced persons	—120·00	—95·00	—65·00
Other buildings	773·38	830·07	922·84
TOTAL	6811·21	7044·46	6606·21

The current Budget included a provision of Rs. 35 crores for National Highways, Rs. 20·81 crores for Border Roads and Rs. 5·5 crores for Other Roads in the Union Territories.

The requirements for the National Highways are now estimated at Rs. 34·39 crores during the current year and Rs. 34·40 crores next year.

The provision for construction of Border Roads is placed higher at Rs. 26·41 crores this year due mainly to the requirement for adjustment under this head of the unliquidated liability on account of machinery and equipment received on deferred credit basis in the current year as well as in earlier years by *per contra* credit under "Public Debt". The practice followed hitherto in this regard was that provision for the cash payments actually due only was made but this is being changed in order to reflect the cost of equipment, etc. received, in the expenditure estimates. A part of the increase is also due to accelerated work in certain sectors and receipt of larger supplies than anticipated. Next Budget includes a provision for Rs. 21·53 crores for Border Roads.

The provision for construction of Other Roads in Union Territories is less at Rs. 2·09 crores this year and Rs. 1·28 crores next year as against the current Budget of Rs. 5·5 crores due to the transfer of the provision for expenditure of the new Union Territory Governments of Himachal Pradesh, Manipur and Tripura and of Nagaland to their respective budgets with effect from the 1st July, 1963 and 1st December, 1963, respectively.

The current Budget includes provision for a gross expenditure of Rs. 26·62 lakhs on rehabilitation works and a recovery of Rs. 1·2 crores as cost of Government buildings transferred to displaced persons by way of compensation, provision for which is made under the head "Payment of Compensation and Rehabilitation Grants to Displaced Persons". The provision for gross expenditure and recoveries is now placed at Rs. 19·93 lakhs and Rs. 95 lakhs, respectively in the Revised and Rs. 27·42 lakhs and Rs. 65 lakhs in the next Budget.

The increase in the provision for capital expenditure on other buildings, both in the Revised and the next Budget, reflects the stepping up of the works programme to meet the paucity of office and residential accommodation at places other than Delhi. The details of works costing Rs. 5 lakhs and above are given in the Annexure to the Demand "Capital Outlay on Public Works".

Delhi Capital Outlay.—The cost of construction of buildings in Delhi and New Delhi is adjusted under this head. The details of works costing Rs. 5 lakhs and above are given in the Annexure to the Demand "Delhi Capital Outlay".

The current Budget provided for a gross expenditure of Rs. 8 crores and a recovery on capital account of Rs. 62 lakhs representing mainly lease money and sale proceeds of property. The provision for gross expenditure in the Revised stands higher at Rs. 19·08 crores with a recovery of Rs. 6·93 crores due mainly to the requirement for the scheme "Large-scale Acquisition and Development of Land in Delhi" being shown on a 'gross' basis. The net provision of Rs. 1·5 crores made in the Budget on account of this scheme comprises a gross expenditure of Rs. 8·43 crores and sale proceeds of Rs. 6·93 crores which accordingly are shown distinctly in the Revised. The rest of the increase in the provision for gross expenditure in the Revised is on account of the stepping up of the works programme in Delhi and New Delhi to meet the paucity of office and residential accommodation (Rs. 3·87 crores). Next Budget includes a gross provision of Rs. 12·28 crores with a recovery on account of sale proceeds, etc. of Rs. 11·28 crores

for the scheme "Large-scale Acquisition and Development of Land in Delhi", Rs. 6·13 crores for office accommodation, Rs. 3·43 crores for residential accommodation and Rs. 2·23 crores for other housing schemes.

Dandakaranya Development Scheme.—This head accommodates the expenditure on the development of Dandakaranya on the borders of Andhra Pradesh, Orissa and Madhya Pradesh for the rehabilitation of displaced persons from East Pakistan as well as for the welfare of the local population, particularly tribals.

The current Budget included a provision of Rs. 3·90 crores for gross expenditure on the Dandakaranya scheme and of Rs. 44 lakhs for recoveries under Suspense transactions and on capital account. The revised requirement for gross expenditure is placed higher at Rs. 5·38 crores due mainly to the stepping up of the development works in the area, including the construction of two new dams, and of the schemes for the rehabilitation of displaced persons coming from East Pakistan.

Next Budget includes a provision of Rs. 5·05 crores for gross expenditure on the scheme and Rs. 80 lakhs as recoveries under Suspense and other transactions.

Other Works.—This head includes the provision for the construction of food storage godowns and a modern storage project. The decrease in the Revised is due mainly to less expenditure on food storage godowns (Rs. 2·36 crores) due to non-availability of land and delay in finalisation of designs. A part of the saving is also due to the absence of provision for the construction of jetties, etc. under the scheme for transport of coal by road-*cum*-river routes (Rs. 14 lakhs) which is not being proceeded with. This, however, is partly counterbalanced by larger requirement for the storage project (Rs. 6 lakhs) on account of the handling charges for the equipment received under the T.C.A. programme. Next Budget includes a provision of Rs. 3·43 crores for the food storage godowns and Rs. 2·27 lakhs for the storage project.

Ports.—Provision is made under this head for the construction and development of major and minor ports which are directly administered by the Government of India. The details of the provision are as follows:

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
		(In Lakhs of Rupees)	
Kandla Port	42·20	38·77	..
Gandhidham	5·40	0·77	..
Vishakhapatnam Port	518·00	261·02	..
Mangalore Port	10·00	73·96	139·97
Tuticorin Port	10·00	65·80	103·50
Minor Ports in Andaman and Nicobar Islands	10·00	5·00	5·00
TOTAL	595·60	445·32	248·47

The Kandla Port including the Gandhidham township and the Vizagapatnam Port which were hitherto administered directly by Government are being constituted into Port Trusts following the enactment of

the Major Port Trusts Act, 1963. This explains the slight reduction in the provision for Kandla Port and Gandhidham Township, as also a part of the shortfall under Vizagapatnam Port in the Revised and the absence of provision in this regard in the next Budget. The bulk of the decrease in the Revised under Vizagapatnam Port is due to the reduced requirements for the installation of the mechanised ore handling plant and for the construction of additional berths consequent on the delay in the supply of equipment and poor soil conditions hampering civil engineering works. The Revised includes Rs. 1·17 crores on account of the cost of material and equipment with loan assistance from U.S. President's Asian Economic Development Fund. The requirements of these Ports after their constitution into Port Trusts, both in the current year and the next year, have been provided under "Loans and Advances".

The increase in the provision for Mangalore and Tuticorin Ports, both in the Revised and the next Budget, represents the additional requirements for land acquisition, construction works and purchase of launches and other equipment in order to speed up the schemes.

The decrease in the Revised under Minor ports of Andaman and Nicobar Islands is mainly due to slower progress than anticipated on the construction of jetties in the islands. Next Budget is based on the anticipated requirements on this account.

Lighthouses and Lightships.—The capital expenditure on Lighthouses and Lightships until 1961-62 was provided in the Revenue Budget and met from the General Reserve Fund—Lighthouses and Lightships, to which are transferred the surpluses of the Lighthouses receipts over the current expenditure on maintenance and other revenue expenditure connected therewith. In view of the accelerated programme of development of Lighthouses and Lightships, the capital expenditure since 1962-63 is provided in the Capital Section and met from the General Reserve Fund to the extent of the balance available therein, the rest being met from other Capital resources.

As against the original estimate of Rs. 99·05 lakhs, the capital expenditure on Lighthouses and Lightships is now estimated at Rs. 97·91 lakhs this year and Rs. 47·25 lakhs next year, the decrease being mainly due to less requirement for purchase of equipment. The expenditure, both during the current year and the next year, will be entirely met out of the General Reserve Fund as against Rs. 76·12 lakhs only assumed in the current budget due to the position of the Fund having improved, following the receipt from the U.K. Government of India's share and dues relating to the Minicoy Lighthouse on its *de-jure* transfer to India.

Aviation.—Provision is made under this head for the Civil Aviation works at the international and other airports in the country. The slight increase in the Revised is due to larger expenditure on certain essential works taken up during the year partly counterbalanced by savings on account of delay in the supply of aeronautical and other equipment. Next year's estimates provide for larger expenditure consequent on increased tempo in the implementation of Plan schemes and for purchase of aeronautical and meteorological equipment.

Road and Water Transport Schemes.—The current Budget included under this head, provision for the capital expenditure on the bus services in Himachal Pradesh and Manipur (Rs. 35·90 lakhs), the Motor Transport Organisation for the movement of essential supplies to Assam-North

Bengal area (Rs. 50 lakhs), the scheme for movement of coal by road-*cum*-river route (Rs. 43 lakhs) and inland water transport services in Govindsagar Lake (Rs. 10 lakhs). The fall in the Revised and the absence of provision in the next Budget are explained below :

The capital expenditure on the bus services in Himachal Pradesh and Manipur as also on the inland water transport services in Govindsagar Lake is with effect from the 1st July, 1963 being met out of the Consolidated Funds of the respective Union Territories consequent on their constitution into Union Territory Governments. The Central Motor Transport Organisation is being converted into a company and its requirements will be met by purchase of shares or advance of loans. The capital assets of the organisation will also be transferred to the company partly against issue of shares and partly as loan, for which accordingly a recovery has been assumed under this head by *per contra* debit under "Industrial Development" and "Loans and Advances". The scheme for the movement of coal by road-*cum*-river route is not being proceeded with and no expenditure has been incurred on it during the current year.

Overseas Communications Service.—The Revised Estimates include a provision of Rs. 48·77 lakhs for capital expenditure on the Overseas Communications Service, including Rs. 33 lakhs for purchase of plant and machinery and Rs. 7 lakhs for buildings, of which Rs. 8·75 lakhs will be met from the Renewals Reserve Fund, as in the original Budget. The expenditure on the purchase of plant and machinery and on buildings next year is placed at Rs. 17·62 lakhs and Rs. 12·24 lakhs, respectively, the decrease being mainly due to less requirements for purchase of equipment.

Shipping, Tankers, etc.—The current Budget included a provision of Rs. 85 lakhs for the dredger-*cum*-survey launch pool for minor ports, Rs. 38·22 lakhs for purchase of ships for Andaman Nicobar Islands and Rs. 10 lakhs for purchase of boats for Laccadive, Minicoy and Amindivi Islands. The Revised estimates in this regard are placed at Rs. 38 lakhs, Rs. 24 lakhs and 'nil', respectively as the bulk of the supplies are expected to be received next year only. Accordingly, next Budget provides Rs. 98·50 lakhs for the dredger-*cum*-survey launch pool, Rs. 23·90 lakhs for ships for the Andaman Nicobar islands and Rs. 10 lakhs for boats for the Laccadive, Minicoy and Amindivi islands.

Currency and Coinage.—The details of the provision are as under:

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
		(In Lakhs of Rupees)	
(*a*) Purchase of metal for Coinage (Net)	—38·75	— 8·16	—23·11
(*b*) Subscription to International Development Association	369·88	369·88	369·88
(*c*) Purchase of gold	675·00	41·23	207·84
(*d*) Payment to Reserve Bank against Hyderabad Currency Note liability taken over by the Bank	—60·00	—60.00	—60 00
(*e*) Currency Note Press	8·31	10·44	15·91
(*f*) Security Paper Mill	200·00	163·43	350·00
TOTAL	1154·44	1306·82	860·52

(a) *Purchase of metal for coinage.*—The expenditure on the purchase of metal for coinage and the metal value of uncurrent coins destroyed is debited to this head, the value of the metal actually used for coinage, etc. being adjusted as a recovery. The current Budget included a provision of Rs. 120 lakhs for purchase of metal, Rs. 61·60 lakhs on account of metal value of uncurrent coins and a recovery of Rs. 220·35 lakhs on account of metal used for coinage. The Revised estimates in this regard are placed at Rs. 145 lakhs, Rs. 77·05 lakhs and Rs. 240·21 lakhs, respectively. The next Budget is based on the coinage programme and includes provision of Rs. 150 lakhs for purchase of metal, Rs. 67·10 lakhs for metal value of uncurrent coins destroyed and Rs. 240·21 lakhs for recovery on account of metal used for coinage.

(b) *Subscription to International Development Association.*—Provision for subscription to the International Development Association, an affiliate of the World Bank, which was set up to supplement the activities of the latter in the field of assistance to member-countries for Development Projects, is made under this head. The subscription is payable partly in US dollars and partly in the form of non-negotiable, non-interest bearing rupee securities credit for which is taken, on the Receipts side, under "Special Floating Loan". Payment during the current year amounted to Rs. 369·88 lakhs provision for which has been repeated in the next Budget.

(c) *Purchase of Gold.*—The value of the gold extracted from the Kolar and Hutti Gold Mines as also that received as contributions to the Gold Bonds and the National Defence Fund at the official rate of Rs. 53·58 per 10 grammes of ·995 fineness, is adjusted under this head. The details are:—

	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)	
Kolar Gold	187	194
Hutti Gold	14	..
Subscription to Gold Bonds	522	..
Contribution to National Defence Fund	114	14
Miscellaneous	4	..

The gold production at Kolar for which *per contra* credit appears under the head XLVIA—Kolar Gold Mines in the Revenue Section is now expected to amount to Rs. 187 lakhs only during the current year due to reduced output on account of rock-bursts and fire. The next budget allows for some improvement in production.

The provision for Hutti gold represents the payment made to Mysore Government at the official rate. The fall in the Revised and the absence of provision in the next Budget is due to the decision that this gold will not be acquired by the Central Government with effect from the 16th May, 1963.

The provision in the Revised in respect of Gold Bonds which were on sale upto the end of February, 1963 represents the adjustment in accounts

of the subscriptions to Gold Bonds which was partly carried out in 1962-63 and partly during the current year on completion of assay and valuation.

The provision for National Defence Fund Gold represents the adjustment in accounts of the contribution in gold to the National Defence Fund after assay and valuation.

The provision under Miscellaneous is for adjustment on account of confiscated gold.

(d) *Payment to Reserve Bank against Hyderabad Currency Note liability taken over by the Bank.*—The expenditure amounting to Rs. 8·96 crores incurred in connection with the replacement of the O.S. currency of the former State of Hyderabad by Indian currency and initially debited to the head 'Capital Outlay on Currency and Coinage' is written back to revenue in 15 instalments. The write back this year as well as next year would amount to Rs. 60 lakhs each, for which the corresponding provision appears in the Revenue Section under the head "Currency and Coinage".

(e) *Currency Note Press.*—The slight increase in the Revised is mainly due to the residual payments connected with the construction of the new Currency Note Press, the work on which is almost complete. Next Budget includes provision for the acquisition of land for the construction of residential quarters and for purchase of essential plant and machinery required for the Currency Note Press.

(f) *Security Paper Mill.*—The provision represents the capital expenditure on the setting up of a mill for the production of 2,000 tonnes per annum of currency and bank note paper. The decrease in the Revised is mainly due to the slow progress of Civil works, as a result of difficulty in finding suitable contractors and delay in receipt of plant and machinery for the mill. According to the present indications, the civil works are expected to be completed by the end of 1964, and the Mill to be commissioned in May, 1965. Accordingly, next Budget includes larger provision for the expenditure on civil works as well as for purchase of plant and machinery.

Mints.—This head provides for the capital expenditure on land, buildings, plant and machinery and stores for the Government of India Mints and the Silver Refinery. The current Budget included a provision of Rs. 15·97 lakhs for the import of equipment and stores for the Mints, which is being repeated in the Revised. The increase in the next Budget represents mainly the larger provision required for the import of certain essential items of plant and machinery for the Mints.

Kolar Gold Mines.—This head provides for the capital expenditure on the acquisition and development of Kolar Gold Mines which were taken over by the Central Government from the 1st December, 1962 and are run as a departmental commercial concern. The current Budget included a provision of Rs. 3 crores for payment of compensation to Mysore Government on account of the acquisition of the undertaking and of Rs. 59·32 lakhs for expenditure on schemes of exploration and development. The compensation payable to the State Government is now estimated at Rs. 307·5 lakhs of which Rs. 2·5 crores have already been paid and a further amount of Rs. 45 lakhs is being adjusted against an outstanding loan; the balance of Rs. 12·5 lakhs is expected to be paid next year for which accordingly provision has been made. The expenditure on the schemes of exploration and development is placed at Rs. 62·5 lakhs this year and Rs. 68 lakhs next year of which Rs. 27:5 lakhs this year

and Rs. 24·4 lakhs next year will be met out of the Reserve Funds of the Undertaking.

Commuted value of Pensions.—This head records the expenditure on the commuted value of pensions which is debited to Capital in the first instance and is written back to Revenue by a system of equated payment of principal and interest spread over 15 years. The gross payments this year are estimated at Rs. 132·04 lakhs as against Rs. 107·12 lakhs assumed in the Budget, the increase being mainly on account of anticipated larger payments of the commuted value of pensions of the Defence Services personnel. The recoveries on account of equated instalments transferred to Revenue and from State Governments are placed at Rs. 92·77 lakhs this year as against Rs. 92·86 lakhs assumed in the Budget. Next Budget includes a provision of Rs. 125 lakhs for payments, the recoveries transferred to Revenue being placed at Rs. 85·30 lakhs.

Sterling Pensions.—The payment made to the U.K. Government for the purchase of annuities to meet India's sterling pensions under the Sterling Balances Agreement, 1948 was debited to this head. These pensions were transferred with effect from the 1st April, 1955 to the U.K. Government who agreed to repay in ten equal annual instalments commencing from the 1st April, 1955 the outstanding balance on that date under this head less the capital value of the estimated future costs of the pensions transferred to them. The amount refundable by the U.K. Government was provisionally placed at £ 40 million (Rs. 53·33 crores) but has since been finally determined as £ 39·93 million (Rs. 53·24 crores). The instalments payable on the 1st April of each of the four years from 1958 to 1961 amounting to £ 16 million (Rs. 21·33 crores) were paid in one lump on 1st April, 1958. A further sum of £ 10 million towards the instalments payable on 1st April 1962 and 1963 and one half of the instalment payable on 1st April, 1964 (Rs. 13·33 crores) was paid in February, 1959. Next Budget provides for the payment by the U.K. Government of the balance due *viz.* £ 1·93 million (Rs. 2·57 crores), which is adjustable as a recovery under this head.

The net debit outstanding under the Capital head on 31st March, 1955 was Rs. 172 crores of which Rs. 53·33 crores (now Rs. 53·24 crores) were to be refunded by the U.K. Government. The balance, representing the capital value of the estimated future costs of the pensions transferred to the U.K. Government, has to be written back to revenue in annual equated instalments of principal and interest over a period of 30 years, after recovering the share due from State Governments, Commercial Departments and the Defence Services.

The estimated recoveries on account of principal to be credited to this head in the current and next year are as follows:—

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
			(In Lakhs of Rupees)
Amount refundable by the U. K. Government	..	..	—257·07
Share recoverable from the States	—63·35	—63·35	—63·98
Share debitable to Defence Estimates	—245·93	—245·93	—248·40
Share recoverable from P. & T.	—5·04	—5·04	—5·09
Amount recoverable from Railways	—4·18	—4·18	—4·22
Amount met from Revenue (Civil)	—55·06	—55·06	—55·61
TOTAL	—373·56	—373·56	—634·37

Schemes of Government Trading.—This head accommodates the receipts and payments in connection with the various schemes of Government trading. The major schemes together with the transactions thereunder are indicated below:—

Schemes	Budget, 1963-64		Revised, 1963-64		Budget, 1964-65	
	Debit	Credit	Debit	Credit	Debit	Credit
					(In Lakhs of Rupees)	
1. Purchase of Foodgrains	25377	20703	27889	24565	24710	21446
2. Purchase of Fertilizers	5200	5650	5200	5925	6200	6887
3. Delhi Milk Supply Scheme. . .	420	465	337	362	423	454
4. Medical Store Depots and Factories .	461	414	492	432	497	454
5. Procurement of Foodstuffs and other essential commodities for Tribal areas .	123	131	150	158	165	170
6. Purchase of Electrical Generating Plants .	400	..	176	..	..	..
7. Procurement and marketing of cardamom	49	..	20	20	50	50
8. Civil Transport Scheme	..	..	..	..	297	...
9. Scheme for Chartering and running of steamers for Coastal Trade . . .	..	..	..	..	5	...

The current Budget included a provision of Rs. 229·02 crores for purchase of foodgrains both in India and abroad and of Rs. 24·75 crores for making advances to States for facilitating internal procurement. This was based on the assumption that the total purchases would amount to 40 lakh tonnes of imported wheat, including under PL 480, 5·50 lakh tonnes of imported rice and 6·25 lakh tonnes of internally procured rice. The purchases are now expected to amount to 41·63 lakh tonnes of imported wheat, 5·79 lakh tonnes of imported rice and 6·79 lakh tonnes of internally procured rice. Accordingly, the Revised Estimates are placed higher at Rs. 252·44 crores for purchase of foodgrains including payment of arrears and of Rs. 26·45 crores for making advances to the States, the latter being entirely recoverable during the year. The rest of the provision for recoveries comprises Rs. 206·55 crores on account of sale proceeds and Rs. 12·65 crores on account of trading losses arising out of sale at subsidised prices, transferred to Revenue as against the original estimate of Rs. 170·19 crores and Rs. 12·09 crores, respectively.

The next Budget includes a provision of Rs. 215·85 crores for purchase of foodgrains and Rs. 31·25 crores for making advances to States, the latter being recovered in full in the next year itself. The rest of the provision under recoveries comprises Rs. 167·90 crores on account of sale

proceeds and Rs. 15·31 crores on account of trading losses written off to Revenue.

Purchase of Fertilisers.—The current year's Budget includes a provision of Rs. 52 crores for purchase of fertilizers which is being repeated in the Revised. Next Budget includes a provision of Rs. 62 crores on this account, the purchases being estimated at 10·83 lakh tonnes of indigenous fertilizers and 8·60 lakhs tonnes of imported fertilizers. The sale proceeds which were placed at Rs. 56·5 crores in the current Budget are now estimated at Rs. 59·25 crores this year and Rs. 68·87 crores next year, the increase being mainly in respect of imported fertilizers.

Delhi Milk Supply Scheme.—The trading operations as well as the stock in trade of the Delhi Milk Supply Scheme are adjusted under this head. The decrease in the Revised, both for gross expenditure and recoveries, is due to lesser purchase and sale of milk and other stores than originally anticipated.

Medical Store Depots.—The increase in the Revised as well as the next Budget, both for gross expenditure and recoveries, as compared to the original Budget, represents the requirement for the purchase of more medical stores and raw materials for the factories to cope with the demand of the medical institutions and to build up stocks.

Procurement of food stuffs and other essential commodities for tribal areas.—The increase in the provision for gross expenditure, both in the Revised and the Next Budget, is due to the procurement of more food stuffs and other essential commodities to meet the needs of Government servants and the public in NEFA consequent on the disturbed conditions there. The recoveries represent the sale proceeds of the commodities and more than cover the gross expenditure, the scheme being run on a no-profit-no-loss basis.

Other Schemes

The current Budget included a provision of Rs. 4 crores for the purchase of electrical generating sets to meet operational and other requirements. An expenditure of Rs. 1·76 crores has already been incurred during the year but the scheme is not being proceeded with, which explains the decrease in the Revised and the absence of provision in the next Budget.

A provision of Rs. 49·25 lakhs was made in the Budget for the procurement and marketing of cardamom with a view to maintaining floor prices. The Revised includes a provision of Rs. 20 lakhs only on this account which is fully covered by equivalent recoveries, while the next Budget provides for a gross expenditure as well as recoveries at Rs. 50 lakhs each.

Credit balances of Rs. 2·97 crores and Rs. 5 lakhs outstanding under this head, representing the profits on the State Trading Schemes of Civil Transport Scheme and the Scheme for chartering and running of steamers for coastal trade, are proposed to be taken, as explained in the Revenue Section, to the head LII Miscellaneous in the next year's accounts, for which accordingly provision has been made here.

Grants for Development.—This head records the expenditure on Grants to States, Union Territories with Legislature, local bodies and employers

for schemes of development, which in view of their magnitude are capitalised in the first instance and are written back to Revenue over a period of 15 years. The details are:—

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)		
Local Development Works	395·70	395·70	500·00
Pilot projects for utilization of Manpower	250·00	200·00	250·00
Projects for intensive development of Rural Industries	104·00	55·00	90·00
Industrial Housing and Slum Clearance Schemes	424·30	413·31	639·75
National Water Supply and Sanitation Programme	120·00	130·00	200·00
Roads of Inter-State Economic Importance including Border Roads	1441·13	1437·00	1475·00
TOTAL	2735·13	2631·01	3154·75
Less—Amount written back to revenue	880·53	851·50	1017·14
Net	1854·60	1779·51	2137·61

The decrease in the Revised is mainly on account of lesser provision for payment of Grants to States for construction of border roads and for projects for utilisation of manpower as well as for intensive development of rural industries due to slower progress of work than anticipated. Next Budget provides for acceleration of tempo of local development works mainly for rural water supply works, projects for utilisation of manpower and of rural industries, National Water Supply and Sanitation schemes and slum clearance schemes.

The details of the amounts written back to Revenue are as follows:

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)		
Local Development Works	—254·65	—247·55	—274·22
Projects for utilization of Manpower	—6·64	—5·82	—19·16
Projects for intensive development of Rural Industries	—·73	—·68	—4·40
Industrial Housing and Slum Clearance Schemes	—183·20	—173·03	—205·49
Grants under Gadgil Committee's Award	—71·17	—71·17	—71·17
National Water Supply, etc. Programme	—78·65	—78·13	—86·13
Grants for Roads of Inter-State Economic Importance including Border Roads	—285·49	—275·12	—356·57
TOTAL	—880·53	—851·50	—1017·14

Compensation to displaced persons.—This head records payments of compensation to displaced persons under the Displaced Persons (Compensation and Rehabilitation) Act, 1954, and payments to migrants from the Pakistan-held areas of Jammu and Kashmir. The sale proceeds of evacuee property transferred from Revenue are credited to this head and the net capital expenditure is written back to Revenue over a period of 15 years.

The current Budget provided for a gross expenditure of Rs. 2·6 crores for payment of compensation to displaced persons from West Pakistan and Rs. 65 lakhs for payments to migrants from Pakistan-held areas of Jammu and Kashmir. The Revised requirements for payment to displaced persons from West Pakistan are placed lower at Rs. 2·15 crores mainly on account of lesser value of Government property transferred as well as loans adjusted towards compensation. The payments to migrants from Pakistan-held areas of Jammu and Kashmir are also placed slightly lower at Rs. 55 lakhs. Next Budget includes a provision of Rs. 1·5 crores for payment to displaced persons from West Pakistan, of which Rs. 65 lakhs represent transfer of evacuee property, Rs. 60 lakhs as adjustment of loans and Rs. 25 lakhs as cash compensation, the decrease being due to the fact that the bulk of the compensation claims has already been settled. A provision of Rs. 90 lakhs has also been made next year for payments to migrants from Pakistan-held areas of Jammu and Kashmir.

The gross expenditure under this head will be met to the extent of Rs. 6 crores this year and Rs. 3 crores next year from the sale proceeds of evacuee property transferred from Revenue, provision for which has been made in the Revenue Section under Expenditure on Displaced Persons. The write-back to Revenue of the net capital expenditure will be Rs. 4·78 crores this year and Rs. 4·56 crores next year. With these adjustments there would be under this head a net credit of Rs. 8·08 crores this year and Rs. 5·16 crores next year as against Rs. 4·35 crores assumed in the Budget, the increase in the Revised being mainly due to larger sale proceeds of evacuee property.

Transfer of Development Assistance from the Government of U.S.A.—This head accommodates the transactions relating to the assistance received from the U.S.A. under the Development Assistance Programme and Public Law 480. The value of the surplus agricultural commodities received under the Development Assistance Programme and P.L. 480 is debited to the head Capital Outlay on Schemes of Government Trading to which the sale proceeds are also credited. The payments to the U.S. Government are made in rupees, the bulk of which is to be received back for utilisation on approved projects and credit for such receipts is taken under Revenue or Public Debt depending on whether they are grants or loans. For other commodities received under the Development Assistance Programme, no payment is made but the amount is treated as lent to the Government of India and directly adjusted as such under Public Debt. In both cases an amount equivalent to the loan or the grant, as the case may be, is transferred to the Special Development Fund by debit to "Transfer of Development Assistance from the Government of U.S.A." for loans and the corresponding expenditure head for grants. The expenditure on agreed projects is thereupon met by transfer from the Special Development Fund.

The current Budget included a provision of Rs. 61·55 crores for transfer of loan assistance to the Special Development Fund—Rs. 60 crores on account of P.L. 480 loans and Rs. 1·55 crores on account of Development

Assistance Loan for the Delhi Thermal Plant. On the basis of the agreements entered into with the American authorities and the anticipated expenditure on the projects selected for the purpose, the loan assistance under P.L. 480 is now estimated at Rs. 65 crores during the current year. As explained in the Revenue Section under 'Extraordinary Receipts', the 'reimbursement' system of drawal of P.L. 480 assistance is being changed to the 'advance' system with effect from the next year and accordingly, next Budget provides for a loan assistance of Rs. 173 crores for the transfer for which provision has been made under this head.

The Development Assistance Loan for the Delhi Thermal Plant is expected to amount to Rs. 46 lakhs only this year. The loan assistance for the National Malaria Eradication Programme is, however, expected to amount to Rs. 2·37 crores this year and Rs. 1·78 crores next year and provision for its transfer to the Special Development Fund has been made under this head.

Payments under Indus Waters Treaty.—Payments made to the International Bank for Reconstruction and Development for credit to the Indus Basin Development Fund established and administered by the Bank in terms of the Indus Waters Treaty, 1960 to meet the cost of replacement works to be constructed in Pakistan are debited to this head. The contribution payable by India under the Treaty amounts to Rs. 82·75 crores payable in 10 equal annual instalments on the 1st November of each year, the first of which was paid in 1960-61. Similar amounts were paid in November, 1961, November, 1962 and November 1963 and the budget next year includes provision for the payment of another instalment. These payments are initially debited to the Capital section of the accounts and are written back to revenue in 15 equal annual instalments. The receipts, if any, from the International Bank arising under the Treaty would be taken in reduction of the capital expenditure. The progressively decreasing net expenditure under this head is consequent on the increasing recoveries representing the additional instalment of write-back in respect of each succeeding year.

Other Civil Heads.—Broad details of the provisions are given below:—

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)		
Capital Outlay on India Security Press	18·58	18·58	19·56
Capital Outlay on Improvement of Public Health	42·66	6·87	5·00
Capital Outlay on Consumer Co-operatives	..	4·03	1·00
Capital Outlay on Kandla Free Trade Zone	..	..	9·90
Capital Outlay on Rail-Road Co-ordination Schemes	3·00	..	..
Capital Outlay on Forests	9·93	2·31	1·93
TOTAL	74·17	31·79	37·39

(a) *India Security Press.*—The slight increase in the next Budget is the net result of larger provision for acquisition of land for the construction of staff quarters and for purchase of new machinery for the Press, partly counter-balanced by reduced requirements for the labour colony and hospital.

(b) *Improvement of Public Health.*—The Capital expenditure on the water supply and sanitation schemes in Union Territories is recorded under this head. The decrease in the Revised is mainly due to the transfer of the provision relating to the Union Territories of Himachal Pradesh, Manipur and Tripura to their respective budgets consequent on their constitution into Union Territory Governments with effect from the 1st July, 1963. Further decrease next year is due to the absence of any provision on this account, the provision made being for Andaman and Nicobar Islands only.

(c) *Consumer Co-operatives.*—This is a new head opened during the year for recording the expenditure on the purchase of shares of Consumer Co-operative Stores set up with Government assistance in order to ensure a steady supply of food grains and consumer goods of quality at fair prices. In pursuance of the recommendations of the last Pay Commission, a Central Government Employees' Consumer Co-operative Society was set up at Delhi during the year to the share capital of which Government contributed Rs. 4 lakhs. Next Budget provides for a further investment of Rs. 1 lakh in the Society. In addition, Government also contributed Rs. 3·75 lakhs and Rs. 85,000 to the share capital of Consumer Co-operatives for Coal Miners and Mica Miners, respectively. The requirements in this regard were met out of the Coal Mines Labour Welfare Fund and the Mica Mines Labour Welfare Fund, respectively, to which are transferred the net proceeds of the cesses on coal and mica levied for the purpose of meeting expenditure on welfare measures for miners. Next Budget includes a further provision of Rs. 1·05 lakhs for investment in the Co-operatives for coal miners which will also be met from the Coal Mines Labour Welfare Fund.

(d) *Kandla Free Trade Zone.*—The capital expenditure on the establishment of a Free Trade Zone at Kandla, for the promotion of India's foreign trade, will be adjusted under this head. The Free Trade Zone is also expected to help in the development of industries and other ancillary units in the hinterland. The capital outlay will comprise expenditure on land acquisition, construction of roads, office and residential buildings as also railway sidings and electricity stations extending over an area of 320 acres.

(e) *Rail-road Cor-ordination Schemes.*—The provision in the current Budget was for the purchase of shares of the Mandi-Kulu Road Transport Corporation in Himachal Pradesh. The absence of provision in the current Revised as well as the next Budget is consequent on the constitution of Himachal Pradesh into a Union Territory Government with a Consolidated Fund of its own with effect from the 1st July, 1963.

(f) *Forests.*—The provision under this head represents the capital expenditure on the development of forests as also on buildings and equipment for forestry schemes in the various Union Territories. The current Budget included a provision of Rs. 8·37 lakhs for expenditure in Himachal Pradesh and of Rs. 1·56 lakhs in Andaman and Nicobar Islands. The revised requirements in this regard are placed at Rs. 75,000 and Rs. 1,56,000, respectively, the decrease in the former case being due to the constitution of Himachal Pradesh into a Union Territory Government with effect from the 1st July, 1963, and consequent transfer of the expenditure to the Union Territory's budget. Next Budget includes a provision of Rs. 1·93 lakhs for the Andaman and Nicobar Islands only.

Defence Capital Outlay.—The details appear in the Defence Budget.

Budget this year provided for a gross expenditure of Rs. 158·92 crores and recoveries on capital account of Rs. 20 lakhs. The gross expenditure is now estimated at Rs. 115·63 crores in the Revised and at Rs. 141·10 crores in the next Budget, the recoveries on capital account being 'Nil' this year and Rs. 5 crores next year.

Railways.—Details appear in the Railway Budget.

Posts and Telegraphs.—The details are:—

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)		
Postal	101·63	138·80	100·92
Telegraphs	667·11	744·17	461·39
Radios	61·39	35·07	30·05
Telephones	1719·87	1659·66	1446·64
Stores and Manufacture Suspense (Net)	300·00	500·00	74·00
Deduct—Amount met from Telephone Development Fund	—50·00	—50·00	—50·00
Deduct—Amount met from P & T Development Fund	..	..	—4·00
Deduct—Extraordinary Receipts on Capital Account	..	—3·26	..
TOTAL	2800·00	3024·44	2059·00

Discharge of Permanent Debt.—The details are as follows:—

	Budget, 1963-64	Revised, 1963-64	Budget 1964-65
	(In Lakhs of Rupees)		
(A) Debt raised in India.—			
(*i*) 3% Loan, 1963-65	111,75	111,00	..
(*ii*) 3½% Bonds, 1963	58,00	57,80	..
(*iii*) 2½% Hyderabad Loan, 1953-63	5,25	5,25	..
(*iv*) 4% Hyderabad State Development Loan, 1963	3,00	3,10	..
(*v*) 3¾% National Plan Loan, 1964	..	..	157,00
(*vi*) 3% Loan, 1964	..	..	30,00
(*vii*) 1¼% Hyderabad Loan, 1964	..	..	3,75
(*viii*) 15-Year Annuity Certificates	30	30	35
(*ix*) Expired Loans	2,00	1,00	1,25
TOTAL	180,30	178,45	192,35

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)		
(B) Debt raised outside India :			
(*a*) Loans from U.S.A. :			
(*i*) Development Assistance Loans	24	24	28
(*ii*) A.I.D. Loans	9,18	8,84	10,54
(*iii*) P. L. 480 Loans	6	6	12
(*iv*) Asian Economic Development Fund Loan	..	..	19
(*b*) U. S. Export-Import Bank Loans :			
First Loan	3,57	3,57	7,14
Loans to Air India International :			
(*i*) First Loan	33	33	33
(*ii*) Second Loan	65	65	65
(*c*) Loans from U.S.S.R. :			
(*i*) Bhilai Loan	..	5,40	..
(*ii*) First Credit for Third Plan	1,08	1,32	97
(*iii*) Industrial Enterprises	..	1,14	1,14
(*iv*) Miscellaneous credits	..	6,24	11,27
(*d*) U. K. Credits:			
Second E.C.G.D. Credit	..	..	4,23
U.K. India (Oil Pipeline) Credit	..	..	1,33
Lazard Bros	7,33	7,33	..
India Stocks and Railway Debenture Stocks	..	(a)	(a)
(*e*) Loans from Canada :			
Wheat Loans	3,89	3,89	2,24
Miscellaneous Credits	..	48	1,15
(*f*) Loans from Federal Republic of Germany :			
(*i*) Rourkela Credit	7,40	7,75	5,70
(*ii*) D. M. 168M. Credit	47	47	94
(*iii*) D. M. 100m. Credit, 1961	3,57	..	2,97
(*g*) Loans from Japan :			
First Yen Credit	1,71	1,72	3,08
(*h*) Kuwait Loan	3,21	3,21	3,21
(*i*) Miscellaneous Credits from Yugoslavia	..	..	51
(j) Loans from Federation of Rhodesia and Nyasaland	..	27	27
(*k*) Loan from Newzeland	..	..	7
(*l*) Loan from Bank of India, Tokyo	1	1	1
(*m*) I.B.R.D. Loans :			
(*i*) Railways Project Loan I	1,36	1,36	70
(*ii*) Railways Project Loan II	3,06	3,06	3,24
(*iii*) Railways Project Loan III	1,57	1,57	1,66
(*iv*) Railways Project Loan IV	86	86	91
(*v*) Railways Project Loan V	59	59	1,23
(*vi*) D. V. C. Loan I	52	52	54
(*vii*) D.V.C. Loan II	19	19	20
(*viii*) D.V.C. Loan III	42	42	44
TOTAL	51,27	61,49	67,26
GRAND TOTAL	231,57	239,94	259,61

(a) The repayment is estimated to be Rs. 30,000 both during the current and the next year.

The increase in the Revised under Loans from U.S.S.R. (Bhilai Loan) is due to the pre-payment of an instalment of Rs. 5·4 crores due in 1964-65 to enable the Soviet authorities to finance purchases of Indian goods.

The absence of provision in the Revised against D.M. 100 million credit from Germany is consequent on the non-materialisation of the expected transfer of loan amounts to Industrial Finance Corporation, Industrial Credit and Investment Corporation of India and National Small Industries Corporation in terms of the provisions of the Agreement with the Federal German Government. The provision of Rs. 2·97 crores in the next Budget is for the estimated payment on this account.

The Revised also includes Rs. 6·99 crores on account of payments due during the year for stores and equipment received on deferred credit basis from a number of countries, while the next Budget includes Rs. 13·20 crores on this account. The cost of such stores and equipment is adjusted as a loan under 'Public Debt'.

Discharge of Special Floating Debt.—The head records the discharge of the securities issued to the International Monetary Fund, the International Bank for Reconstruction and Development and the International Development Association in lieu of part payment of India's contribution to these Organizations. The credit for the securities in question was taken to "O—Public Debt" by debit to "Capital Outlay on Currency and Coinage".

Provision of Rs. 3·43 crores has been made both in the current and the next Budget for the encashment of the securities issued to the IBRD.

Inter-State Settlement.—Provision is made under this head for meeting Government of India's share in the repayment of the principal of the open market loans of States under the States Re-organisation Act. Current Budget as well as the Revised includes a provision of Rs. 90 lakhs to meet the Centre's liability in the repayment of the 4 per cent Mysore Loan, 1953—63. In addition, there is also a provision of Rs. 41,000 this year and Rs. 21,000 next year on account of the Centre's share in the principal of the various open market loans of the pre-reorganised Madras State.

Advances to State Governments.—Loans are advanced to the State Governments as Central assistance for meeting the expenditure on Plan Schemes, natural calamities, etc. and for tiding over temporary ways and means difficulties. The Central assistance towards Plan schemes, both loans and grants, is released in accordance with the procedure introduced in 1958-59 to the extent of three-fourths of the budget provision in nine equal monthly instalments beginning from May. These advance payments are debited to this head but are written back, before the close of the year, to the relevant heads on the issue of final sanctions.

Details by broad categories of loans and advances to State Governments for which provision has been made are given below:—

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)		
Loans to State Governments for—			
Agricultural and allied schemes	67,40	76,56	93,12
Miscellaneous Development Schemes	132,96	187,39	210,71
Community Development, National Extension Service and Co-operation Schemes	15,90	15,56	20,48
Handloom and other Schemes	10,73	11,19	13,87
Irrigation Schemes	52,60	65,88	64,25
Small Savings Schemes	70,00	72,00	75,00
Water Supply and Drainage Schemes	12,50	13,00	15,00
Flood Control Schemes	13,27	13,27	13,86
Rehabilitation Purposes	3,60	4,14	1,99
Advances to Nagaland	..	1,00	2,70
J & K Govt. for adjustment of arrears of loan instalments	..	..	17,00
Construction and development of Coal Roads	..	10	1,20
Rural Electrification Schemes	18,00	18,00	22,00
Construction of Students' Hostels	62	63	82
Housing Schemes	5,77	5,70	9,25
Police Housing Schemes	3,00	3,00	3,00
Development Schemes in Border areas	1,50	1,39	1,76
Natural Calamities	2,00	2,00	2,00
Ways and Means Advances	25,00	22,36	25,00
Loan Scholarships Scheme	1,33	1,33	2,95
Rehabilitation of Gold Smiths	..	3,75	..
Loans out of Centralised Market Borrowing	100,00	101,00	..
Other Schemes	4,90	6,83	9,84
	541,08	6,26,08	6,05,80
Deduct—Amount met from Special Development and Other Funds	—11,94	—18,66	—10,62
NET	5,29,14	6,07,42	5,95,18

These loans will be met partly out of the Special Development and other Funds as indicated below:—

Special Development Fund	—11,54	—18,26	—10,02
Fund for benefit of Cotton Growers	—40	—40	—60
TOTAL	—11,94	—18,66	—10,62

The increase in the Revised is due mainly to the post-Budget decision to provide accelerated Central assistance to the States in order to speed up the pace of their development plans in certain sectors, notably power and agriculture, including payment of arrears relating to previous years (Rs. 62·55 crores). The rest of the increase is due to additional short-term credit for purchase and distribution of fertilizers, seeds and pesticides (Rs. 6 crores), loans for meeting interest charges on loans for irrigation projects upto 31st March, 1962 (Rs. 9·7 crores), loans to Nagaland which was constituted into a separate State during the year (Rs. 1 crore) and loans for rehabilitation of goldsmiths (Rs. 3·75 crores). The decrease in the next Budget is the net result of the absence of provision for the States' share out of the combined market borrowing resorted to this year, consequent on the decision that the Centre and States should go separately as before to the market, partly counterbalanced by larger provision for loans for developmental and other purposes.

Loans to Union Territory Governments.—Consequent on their constitution into Union Territory Governments with Consolidated Funds of their own, the Capital expenditure of Himachal Pradesh, Manipur, Tripura, Pondicherry and Goa, Daman and Diu has to be provided for in their own Budgets. As these territories do not have power to borrow, except from the Central Government, for meeting their capital expenditure and for advancing loans to third parties, they have to be given loans by the Government of India. A provision of Rs. 11·33 crores is being made in the Revised Estimates on this account. This will be counterbalanced by a saving in the capital expenditure of the Central Government in these territories for which provision was made in the current Budget. A provision of Rs. 15·91 crores is being made in the next Budget to meet the full year's requirements of the Union Territory Governments.

Other Loans and Advances.—Details of the provision included in the budget for grant of loans and advances to foreign governments, international bodies, port trusts, municipal bodies, statutory corporations, Government-owned companies and private parties, etc are given below:—

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
	(In Lakhs of Rupees)		
Loans to—			
Foreign Governments	16,13	14,77	16,10
Specialised Credit Agency	..	..	10,00
Port Trusts	4,25	1,25	7,10
New Delhi Municipal Committee	44	27	34
Delhi Municipal Corporation for different Schemes	7,70	10,41	8,78
Industrial Finance Corporation	4,00	10,00	4,00
Industrial Credit and Investment Corporation	..	2,50	6,50
Refinance Corporation for Industry Ltd.	5,00	11,50	10,00
Agricultural Refinance Corporation	5,00	5,00	..
National Co-operative Development Corporation	8,60	8,44	4,75
Film Finance Corporation	10	10	40
Handloom and Handicrafts Industries	10	53	5
Small Scale Industries	10	10	12

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
		(In Lakhs of Rupees)	
Village Industries	2,50	2,00	2,00
Khadi Industries	2,00	1,50	2,42
Ambar Charkha	70	50	50
National Small Industries Corporation	90	2,08	82
National Industrial Development Corporation	3,25	3,00	3,00
Hindustan Cables Ltd.	20	75	..
Oil India Ltd.	4	4	..
Fertilizers Corporation of India	7,31	3,28	13,00
Fertilizers and Chemicals, Travancore Ltd.	1,10	2,25	75
Bharat Electronics Ltd.	1,20	1,20	1,00
Aircraft Manufacturing Depot	..	..	50
Hindustan Aircraft Ltd.	2,50	1,25	1,20
Heavy Electricals Ltd.	12,00	12,00	12,00
National Coal Development Corporation	10,00	9,00	9,00
Mysore Iron and Steel Corporation	2,52	2,52	1,86
Praga Tools Ltd.	66	86	20
Hindustan Steel Ltd.	1,00	..	1,00
Indian Refineries, Ltd.	16,00	17,15	6,80
Singareni Collieries	2,00	1,00	2,00
Rehabilitation Industries Corporation	30	30	30
National Mineral Development Corporation	4,70	1,20	4,00
Heavy Engineering Corporation	5,00	5,00	35,65
Indian Oil Company	2,25	1,75	1,86
Neyveli Lignite Corporation	15,00	21,28	21,59
Coal Board for Central Ropeway	4,00	2,20	5,00
Hindustan Machine Tools Ltd.	2,00	3,56	3,50
Indian Telephone Industries	40	60	..
Joint Steamer Companies, Calcutta	72	15	38
Hindustan Teleprinters Ltd.	38	75	..
Construction of Students' Hostels	70	1,20	1,35
Indian rugs and Pharmaceuticals Ltd.	..	..	5,00
Hindustan Photo Film Manufacturin Co. Ltd	..	..	60
Displaced Persons	57	44	69
Banco National Bank, Goa	1,00	1,00	1,00
National Building Construction Corporation Ltd.	[illegible]	2	28
Shipping Development Fund Committee	4,00	4,00	13,00
Housing Schemes	1,28	1,28	1,09
Cultivators	39	15	7
Other Loans and Advances including Loans to Government Servants	14,27	8,46	16,67
	1,74,54	1,78,85	2,38,22
Deduct—Amount met from Special Development Fund and Other Funds	—6,70	—21,86	—21,48
	1,67,84	1,56,99	2,16,74

	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
		(In Lakhs of Rupees)	
These loans will be met partly out of the Special Development and other Funds as indicated below :			
Fund from assistance under the Indo-U.S. Technical Co-operation Agreement	—1,55	—1,16	—64
Fund from sale proceeds of Commodities received under P. L. 480	—5,00	—20,40	—20, 50
Coal Mines Labour Welfare Fund	—15	—28	33
Mica Mines Labour Welfare Fund	..	—2	—1
TOTAL . .	—6,70	—21,86	—21,48

The increase in the Revised is mainly due to the additional requirements of the Industrial Finance Corporation to enable it to meet the rising demand for financial assistance to industrial concerns (Rs. 6 crores) partly counterbalanced by saving under other items. The additional requirements of the Industrial Finance Corporation will be recouped out of the PL 480 Loan assistance transferred to the Special Development Fund.

The further increase in the next year's estimates is mainly due to the additional requirements of the Heavy Engineering Corporation (Rs. 31 crores), the Fertilizers Corporation (Rs. 10 crores) and the Shipping Development Fund (Rs. 9 crores). Next Budget also includes provision for loan to the proposed Industrial Development Bank (Rs. 10 crores) and the newly set up Port Trusts at Vizagapatnam and Kandla (Rs. 5 crores).

DEBT POSITION OF THE GOVERNMENT OF INDIA

The outstanding public debt of the Government of India is expected to amount to Rs. 6576 crores at the end of the current year and Rs. 7410 crores at the end of 1964-65. Details are given in Statement VI at the end of this section.

An analysis of the debt compared with the debt at the end of 1938-39 is given below :—

Particulars	As on 31st March, 1939	As on 31st March, 1964	As on 31st March, 1965
		(In Crores of Rupees)	
A. **Debt raised in India:**			
Current Loans	437·87	3114·46	3222·19
Treasury Bills	46·30	1341·55	1437·55
Special Floating Loans	..	281.10	281·12
Expired Loans	·65	29.81	30·18
TOTAL	484·82	4766·92	4971·04
B. **Debt raised outside India :**			
Defence Certificates	..	0·09	0·09
Loans from U.S.A.	..	779·20	1048·64
U.S. Export-Import Bank Loans	..	100·23	104·54
Loans from U.S.S.R.	..	167·75	236·00
U. K. Credits—			
U. K. Government Loans	..	220·72	236·31
India Stocks and Railway Debenture Stocks	396·50	0·08	0·08
Expired Loans	0·01	0·03	0·03
War Contribution	20·62	20·62	20·62
Capital Portion of Railway Annuities	47·82	..	..
Loans from Canada	..	12·16	13·90
Loans from Federal Republic of Germany	..	173·08	191·04
Loans from Japan	..	37·61	57·53
Loans from Switzerland	..	2·23	6·23
Loans from Czechoslovakia	..	1·00	5·00
Loans from Yugoslavia	..	1·05	5·20
Loans from Poland	..	3·20	8·70
Loans from Austria	..	0·45	4·11
Loans from Netherlands	..	0·50	3·50
Loans from France	..	..	1·28
Loans from Denmark.	..	0·10	1·03
Loans from Belgium.	..	..	0·80
Loans from Federation of Rhodesia and Nyasaland	..	1·06	0·79
Loans from New Zeland	..	0·33	0·26
Loans from Kuwait Government	..	25·72	22·51
Loans from I.B.R.D.	..	181·82	179·11
Loans from I.D.A.	..	72·48	98·56
Loans from Bank of India, Tokyo	..	0·05	0·04
New Credits	..	7·52	192·89
TOTAL	464·95	1809·08	2438·79
TOTAL—PUBLIC DEBT	949·77	6576·00	7409·83

Excluding the war contribution, the liability in respect of which remains suspended, the total outstanding debt will be Rs. 6555 crores at the end of the current year and Rs. 7389 crores at the end of 1964-65. At the end of the Budget year, the outstanding debt would, as compared with the figures at the end of 1938-39, have risen by Rs. 6460 crores.

In addition the Government are liable to repay the investments of the deposits of the P.L. 480 counterpart funds, the balances in the various Provident Funds, the Post Office Savings Bank, the Post Office Cash, National Savings, National Plan, National Plan Savings, National Defence, Treasury Savings Deposit, Income Tax Annuity Deposit and Defence Deposit Certificates, deposits under the Cumulative Time Deposits Scheme and the Compulsory Deposit Scheme, the Depreciation and Reserve Funds of the Railways, Posts and Telegraphs, etc., and certain other deposits, mainly relating to deposits of Income-tax, Super-tax, etc. These balances are estimated to amount to Rs. 2335 crores at the end of the current year and Rs. 2540 crores at the end of 1964-65. Taking the regular debt and these liabilities together the debt position of the Government of India will stand as follows:—

	As on 31st March, 1964	As on 31st March, 1965
	(In Crores of Rupees)	
Regular Loans	6576·00	7409.83
Other Liabilities	2334·51	2539·71
British War Loan	—20·62	—20·62
TOTAL	8889·89	9928·92

This outstanding debt may be analysed with reference to the purpose on which the money has been utilised or the assets by which it is covered. An analysis is given below:—

	As on 31st March, 1964	As on 31st March, 1965
	(In Crores of Rupees)	
Railways	2134·06	2387·06
Posts and Telegraphs and other Commercial Departments (including Damodar Valley Corporation)	304·74	306·79
Investments in Commercial concerns (Industrial Development)	1101·42	1318.61
Loans and Advances	3978·66	4584·81
Amounts recoverable from the U. K. and the States on account of purchase of annuities for sterling pensions	17·44	14 23
Subscription to the International Monetary Fund	282·00	282·00
Purchase of shares of the I.B.R.D.	37·00	37·00
Subscription to the International Development Association	15·52	19·22
Purchase of U.N. Bonds	0·95	0·95
Debt due from Pakistan	300.00	300·00
Cash and other investments	52·32	51·08
TOTAL	8224·11	9301·75

Allowing for these, the uncovered debt will amount to Rs. 627 crores at the end of the Budget year against the pre-war figure of Rs. 188 crores. The whole of this cannot, however, be called un-productive since the large grants to State Governments for development in recent years which increase the productive capacity of the country as a whole are not entirely un-remunerative. Similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the Delhi Capital Outlay and Defence Capital Outlay) is not without value. Besides, a considerable portion of the capital outlay has been incurred on schemes of state trading such as foodgrains, fertilisers, iron and steel, etc. of which there are reserve stocks, particularly of foodgrains.

The statement below analyses the interest bearing obligations of the Government of India and the interest yielding assets held by them.

	As on 31st March, 1939	As on 31st March, 1964	As on 31st March, 1965
		(In Crores of Rupees)	
Interest-Bearing Obligations			
In India :			
Public Debt :			
Loans	437·87	3114·46	3222·19
Treasury Bills	46·30	1341·55	1437·55
TOTAL—PUBLIC DEBT	484·17	4456·01	4659·74
Unfunded Debt :			
Investment of U. S. Government counterpart Deposit Funds	..	408·03	323·19
Service Funds	1·03	0·26	0·24
10-Year Treasury Savings Deposit Certificates	..	76·39	71·24
Income Tax Annuity Deposits	..	..	67·00
10-Year Defence Deposit Certificates	..	31·77	54·25
Post Office Savings Bank Deposits	81·88	505·22	538·72
Compulsory Deposits	..	15·00	15·00
Cumulative Time Deposits	..	20·23	32·23
12-Year National Plan Savings Certificates	..	342·35	318·85
12-Year National Defence Certificates	..	153·99	255·99
Post Office Cash and Defence Savings Certificates	59·57	0·64	0·47
National Savings Certificates	..	99·83	84·77
10-Year National Plan Certificates	..	15·91	14·71
State Provident Funds	72·48	420·59	474·88
Other Items	10·25	22·43	23·81
TOTAL—UNFUNDED DEBT	225·13	2112·64	2275·35
Deposits :			
Depreciation, Development and Reserve Funds	27·34	200·50	243·67
Other Deposits	..	21·37	20·69
TOTAL—DEPOSITS	27·34	221·87	264·36
TOTAL—OBLIGATIONS IN INDIA	736·64	6790·52	7199·45

	As on 31st March, 1939	As on 31st March, 1964	As on 31st March 1965
		(In Crores of Rupees)	
Outside India :			
Public Debt:			
Defence Certificates	..	0·09	0·09
Loans from U.S.A.	..	779·20	1048·64
U.S. Export-Import Bank Loans	..	100·23	104·54
Loans from U.S.S.R.	..	167·75	236·00
U. K. Credits—			
(*a*) U. K. Government Loans	..	220·72	236·31
(*b*) India Stocks and Railway Debenture Stocks	396·50	0·08	0·08
(*c*) Capital Portion of Railway Annuities	47·82	..	..
Loans from Canada	..	12·16	13·90
Loans from Federal Republic of Germany	..	173·08	191·04
Loans from Japan	..	37·61	57·53
Loans from Switzerland	..	2·23	6·23
Loans from Czechoslovakia	..	1·00	5·00
Loans from Yugoslavia	..	1·05	5·20
Loans from Poland	..	3·20	8.70
Loans from Austria	..	0·45	4·11
Loans from Netherlands	..	0·50	3·50
Loans from France	..	..	1·28
Loans from Denmark.	..	0·10	1·03
Loans from Belgium	..	..	0·80
Loans from Federation of Rhodesia and Nyasaland	..	1·06	0·79
Loans from New Zeland.	..	0·33	0·26
Loans from Kuwait Government	..	25·72	22·51
Loans from I.B.R.D.	..	181·82	179·11
Loans from I.D.A.	..	72·48	98·56
Loans from Bank of India, Tokyo	..	0·05	0·04
New Credits	..	7·52	192·89
TOTAL—DEBT RAISED OUTSIDE INDIA	444·32	1788·43	2418·14
TOTAL—INTEREST BEARING OBLIGATIONS	1180·96	8578·95	9617·59
Interest-Yielding Assets			
Capital advanced to Railways	725·24	2134·06	2387·06
Capital advanced to other Commercial Departments (including Damodar Valley Corporation)	27·42	304·74	306·79
Investments in Commercial Concerns (Industrial Development)	..	853·74	1012·44
Capital advanced to States	123·28	3025·83	3392·71
Capital advanced to Union Territory Governments	..	11·33	27·24
Other interest bearing loans	20·71	941·50	1164·86
Amount recoverable from the U.K. and the States on account of purchase of annuities for Sterling Pensions	..	17·44	14·23
Debt due from Pakistan	..	300·00	300·00
TOTAL—INTEREST-YIELDING ASSETS	896·65	7588·64	8605·33
Cash and Securities held on Treasury Account	30·30	52·32	51·08
Balance of total interest-bearing obligations not covered by above assets	254·01	937·99	961·18

NOTE 1.—The outstandings at the end of each year are shown in the statement. The accounts for the year 1947-48 (pre-partition) and 1962-63 have not yet been closed finally and the figures have, therefore, been worked out on the best information available.

NOTE 2.—Sterling obligations have been converted into Rupees at 1 *sh.* 6 *d.* to the Rupee.

NOTE 3.—Final debt settlement with Pakistan has yet to be made. The figure entered for debt due from Pakistan is a rough indication of the amount likely to be due to India.

STATEMENT VI

OUTSTANDING PUBLIC DEBT OF THE GOVERNMENT OF INDIA

Particulars	Date of Issue	Earliest date of maturity	Estimated amount on 31st March, 1964	Estimated amount on 31st March, 1965
(1)	(2)	(3)	(4)	(5)
			(In Lakhs of Rupees)	
A.—DEBT RAISED IN INDIA :				
I.—Current Loans :				
Terminable Loans :				
3½% National Plan Loan, 1964	19th April, 1954	19th April, 1964	158,18	..
3% Loan, 1964	19th June, 1950	15th June, 1964	30,33	..
3½% National Plan Bonds, 1965 (IInd Series)	1st July, 1955	1st July, 1965	153,68	153,68
3½% Bonds, 1966	18th July, 1960	18th July, 1966	82,65	82,65
3% Funding Loan, 1966-68	22nd October, 1953	1st October, 1966	110,12	110,12
3½% National Plan Bonds, 1967 (III Series)	16th July, 1956	16th July, 1967	..	197,41
3¾% National Plan Bonds. 1967 (4th Series)	5th August, 1957	1st August, 1967	56,99	56,99
3¾% National Plan Bonds, 1968 (5th Series)	12th May, 1958	12th May, 1968	156,64	156,64
3½% Loan, 1968	26th August, 1958	26th August, 1968	70,00	70,00
4% Loan, 1969	8th May, 1963	8th May, 1969	2,02,88	2,02,88
3½% Bonds, 1969	1st July, 1959	1st July, 1969	190,85	190,85
3% First Development Loan, 1970-75	16th April, 1945	15th October, 1970	115,06	115,06
4% Loan, 1972	5th August, 1957	1st August, 1972	154,70	154,70
4¼% National Defence Bonds, 1972	10th November, 1962	10th November, 1972	23,79	23,79
4% Loan, 1973	12th May, 1958	12th May, 1973	394,51	394,51
4¼% Loan, 1973	22nd July, 1963	22nd July, 1973	159,00	159,00
3¾% Loan, 1974	16th July, 1956	16th July, 1974	86,64	86,64
2¾% Loan, 1976	16th September, 1946	16th September, 1976	14,78	14,78
6½% Gold Bonds, 1977	12th November, 1962	12th November, 1977	8,60	8,60
4% Loan, 1979	1st July, 1959	1st July, 1979	81,06	81,06
4% Loan, 1980	18th July, 1960	18th July, 1980	98,05	98,05
4% Loan, 1981	24th July, 1961	24th July, 1981	65,97	65,97
4½% Loan, 1985	12th July, 1962	12th July, 1985	114,03	114,03
4½% Loan, 1986	8th May, 1963	8th May, 1986	78,10	78,10
Interest Free Prize Bonds, 1965	1st April, 1960	1st April, 1965	20,27	20,27
Premium Prize Bonds			7,16	12,16
New Loans	To be floated in 1964-65		..	2,95,00

(1)	(2)	(3)	(4)	(5)
			(In Lakhs of Rupees)	
Bhopal Loans—				
3% Loan, 1966-76	12th Nov. 1946	Repayable at par on 15-11-76 but the Government have the option of repaying at any time after 15th November, 1966, with 6 months' notice.	1,22	1,22
Hyderabad Loans—				
1¼% Loan, 1964	30th October, 1956	30th October, 1964	3,86	..
4% Hyderabad State Dev. Loan, 1967	1st September, 1955	1st September, 1967	2,12	2,12
4% Hyderabad State Dev. Loan, 1968	3rd September, 1956	3rd September, 1968	2,18	2,18
2¾% Loan, 1974	1st April, 1954	1st April, 1974	4,40	4,40
2¾% Loan, 1975	1st January, 1950	1st January, 1975	6,86	6,86
Old Rly. Shares	..	..	29	29
Non-Terminable Loans—				
3% 1896-97	22nd July, 1896	At the option of the Govt. of India after 3 months' notice.	8,93	8,93
3% Conversion Loan, 1946.	16th September, 1946	At any time on or after 16th September, 1986 subject to three months' notice	2,48 91	2,48,91
Annuity Certificates—				
15—Year Annuity Certificates			4,24	4,34
TOTAL—CURRENT LOANS			31,14,46	32,22,19
II.—Treasury Bills—			13,41,55	14,37,55
III.—Special Floating Loans—				
Issued to the International Monetary Fund			246,89	246,89
Issued to the International Bank for Reconstruction and Development			20,41	16,98
Issued to the International Development Association			13,80	17,25
TOTAL—SPECIAL FLOATING LOANS			281,10	281,12

(1)	(2)	(3)	(4)	(5)
			(In Lakhs of Rupees)	
IV.—Expired Loans—				
Sundry Loans . .			29,81	30,18
	TOTAL—DEBT RAISED IN INDIA	.	47,66,92	49,71,04
B.—DEBT RAISED OUTSIDE INDIA :				
I.—Defence Certificates			9	9
II.—Loans from U.S.A.:				
American Wheat Loans			88,68	88,68
Development Assistance Loans .			61,44	61,16
Development Loan Fund (now A.I.D. Loans)			344,62	440,21
Asian Economic Development Fund Loan .			7,24	8,49
P.L. 480 Loans .			277,22	450,10
	TOTAL—U.S.A. Loans	.	7,79,20	10,48,64
III.—U.S. Export-Import Bank Loans :				
First Loan . .			67,87	60,73
Second Loan . .			20,84	23,81
Third Loan . .			5,74	11,90
Credit for Diesel Loco Works, Varanasi .			75	40,5
Loans to A.I.I.:				
First Loan . .			1,47	1,14
Second Loan . .			3,56	2,91
	TOTAL—U.S. EXIM BANK LOANS	.	100,23	104,54
IV.—Loans from U.S.S.R.:				
Bhilai Loan . .			26,42	26,42
Industrial Enterprises			36,37	44,23
Drugs Credit . .			6,50	9,52
Barauni Credit .			11,88	11,88
First Credit for Third Plan . . .			62,41	101,44
Second Credit for Third Plan . .			3,30	13,30
Miscellaneous credits			20,87	29,21
	TOTAL—U.S.S.R. LOANS	.	167,75	236,00
V.—U.K. Credits:				
U. K. Government Loans:				
Durgapur . .			20,00	20,00
Second E.C.G.D. Credit . . .			38,00	33,77
U.K.-India (Oil-Pipe Line) Credit . . .			4,00	2,67
U.K.-India (General) Credit, 1959 . .			25,33	25,33
First U.K.-India (General) Credit, 1960 .			13,33	13,33

(1)	(2)	(3)	(4)	(5)
			(In Lakhs of Rupees)	
Second U.K.-India (General) Credit, 1960			6,67	6,67
First U.K.-India (General) Credit, 1961			13,33	13,33
U.K.-India (Five Year Plan) Credit, 1961			33,00	39,25
Second U.K.-India (General) Credit, 1961			6,67	6,67
First U.K.—India (General) Credit, 1962			13,33	13,33
Second U.K.—India (General) Credit, 1962			6,67	6,67
U.K.—India (Durgapur Extension) Credit, 1962			12,06	19,06
U.K.—India (Five year Plan Credit), 1962			8,33	12,90
U. K.—India (Steel) Credit, 1963			4,67	4,67
U. K.—India (General) Credit, 1963			13,33	13,33
Kipping Loan			2,00	5,33
India Stocks and Rly. Debenture Stocks			8	8
Expired Loans			3	3
War Contribution			20,62	20,62
	TOTAL—U.K. CREDITS		241,45	257,04
VI.—Loans from Canada				
Wheat loans			7,33	5,09
Credit for Third Plan			40	2,40
Credit for Candu Atomic Power Project.			30	2,60
Miscellaneous Credits			4,13	3,81
	TOTAL—LOANS FROM CANADA		12,16	13,90
VII.—Loans from Federal Republic of Germany:				
Rourkela Credit			6,86	1,16
D.M. 168 m. Credit			18,11	17,17
First DM 125·1 m. Credit			14,18	14,18
Second DM 125·1 m. Credit			14,18	14,18
Rourkela Prolongation Credit (First)			11,16	11,16
Rourkela Prolongation Credit (Second)			27,38	27,38
D.M. 100 m. Credit, 1961			11,90	8,93
D.M. 170m. Credit, 1961			20,24	20,24
Rourkela Prolongation Credit (Third)			10,12	10,12
D.M. 100 m. Credit, 1962			11,90	11,90
D.M. 264m. Credit, 1962			12,74	30,31
D. M. 400 m. Credit for Rourkela Repayments			7,00	17,00
D. M. 61·4 m. Credit for Rourkela Refinancing			7,31	7,31
	TOTAL—LOANS FROM FEDERAL REPUBLIC OF GERMANY		173,08	191,04

(1)	(2)	(3)	(4)	(5)
			(In Lakhs of Rupees)	
VIII.—Loans from Japan:				
First Yen Credit .			19,94	16,86
Second Yen Credit .			17,67	34,67
Third Yen Credit .				6,00
		TOTAL—LOANS FROM JAPAN .	37,61	57,53
IX.—Loans from Switzerland:				
Credit for Third Plan			2,23	6,23
X.—Loans from Czechoslovakia :				
Credit for Third Plan			1,00	5,00
XI.—Loans from Yugoslavia:				
Credit for Third Plan			50	3,50
Miscellaneous Credits .			55	1,70
		TOTAL—LOANS FROM YUGOSLAVIA . .	1,05	5,20
XII.—Loans from Poland:				
First Credit for Third Plan . . .			3,10	8,10
Second Credit for Third Plan . . .			10	60
		TOTAL—LOANS FROM POLAND . .	3,20	8,70
XIII.—Loans from Austria.				
First Credit for Third Plan			20	1,80
Second Credit for Third Plan			25	2,31
		TOTAL—LOANS FROM AUSTRIA . .	45	4,11
XIV.—Loans from Kuwait Government:				
Retirement of Indian Currency . . .			25,72	22,51
XV.—Loans from Netherlands.				
General Purpose Loan			50	3,50
XVI.—Loans from France :				
Railways			..	78
Lighthouses and Lightships			..	50
		TOTAL—LOANS FROM FRANCE		1,28
XVII.—Loans from Denmark				
Credit for import of Capital goods			10	1,03
VIII.—Loans from Belgium :				
Credit for import of Capital goods			..	80

(1)	(2)	(3)	(4)	(5)
			(In Lakhs of Rupees)	
XIX.—Loans from New Zealand				
Credit for purchase of wool			33	26
XX.—Loans from Federation of Rhodesia and Nyasaland :				
Miscellaneous Credit			1,06	79
XXI.—Loans from the International Bank for Reconstruction and Development:				
Railways Project Loan I			70	..
Railways Project Loan II			34,16	30,92
Railways Project Loan III			38,16	36,50
Railways Project Loan IV			22,54	21,63
Railways Project Loan V			32,74	31,51
Railways Project Loan VI			23,81	23,81
Coal Industry . .			5,66	10,10
D.V.C. Loan I .			3,92	3,38
D.V.C. Loan II .			3,71	3,51
D.V.C. Loan III .			8,51	8,84
Koyna Project Loan .			7,91	8,91
	TOTAL—I.B.R.D. LOANS .	.	1,81,82	1,79,11
XXII.—Loans from the International Development Association:				
Roads Project . . .			15,94	20,94
U.P. Tube Well Project			2,86	2,86
Shetrunji Irrigation Project .			1,25	2,09
Salandi Irrigation Project .			1,70	2,70
Punjab Drainage Project .			3,99	4,76
D.V.C. Loan IV .			24	2,09
Sone Irrigation Project .			3,01	6,01
Purna Irrigation Project .			2,32	4,32
Koyna Project (Second stage) . . .			2,50	5,00
Bombay Port Project			3,30	5,80
Tele-Communications Project			3,04	8,04
Railways Project Loan VII			32,14	32,14
Kothakudam Power Project			19	1,81
	TOTAL—I.D.A. LOANS	.	72,48	98,56
XXIII.—Loans from Bank of India, Tokyo .			5	4
XXIV.—New Credits .			7,52	1,92,89
	TOTAL—DEBT RAISED OUTSIDE INDIA	.	18,09,08	24,38,79
	TOTAL—PUBLIC DEBT	.	65,76,00	74,09,83

ANNEXURES

ANNEXURE I

DISTRIBUTION OF REVENUE AND EXPENDITURE

(In lakhs of Rupees)

Year	Tax Revenue				Contributions from Railways & P. & T.	Currency and Mint (Receipts less Expenditure)	Interest Receipts	Extraordinary Receipts	Other Revenue	Total net Revenue	Interest on debt	Reduction or avoidance of debt	Extraordinary items	Defence Expenditure	Other Expenditure	Net Capital Outlay of Commercial Department met from Revenue	Total Expenditure	Surplus + Deficit —
	Gross Tax Revenue	Less—Cost of Collection	Less—State's share and transfer to C.R.F.	Net Tax Revenue retained														
1953-54 . .	4,20,59	10,69	77,44	3,32,46	9,36	13,14	44,94	2,51	22,21	4,24,62	77,85	5,00	11,78	1,86,30	1,35,12	7	4,16,12	+8,50
1954-55 . .	4,55,78	11,33	76,03	3,68,42	9,28	17,42	51,80	46	22,69	4,70,07	82,66	5,00	15,25	1,86,66	1,46,95	4	4,36,56	+33,51
1955-56 . .	4,85,07	12,50	78,10	3,94,47	9,25	19,75	55,73	11	41,01	5,20,32	91,03	5,00	10,40	1,72,28	2,01,12	4	4,79,87	+40,45
1956-57 . .	5,73,13	14,45	83,38	4,75,30	12,19	19,44	71,00	1,08	35,10	6,14,11	99,41	5,00	10,40	1,92,15	2,17,75	..	5,24,71	+89,40
1957-58 . .	6,95,77	16,55	124,21	5,55,01	10,00	26,04	86,85	2	61,45	7,39,37	1,17,75	5,00	11,51	2,56,72	3,06,34	..	6,97,32	+42,05
1958-59 . .	7,15,12	19,44	165,36	5,30,32	12,68	23,43	99,80	2	79,57	7,45,82	1,35,12	5,00	14,06	2,50,93	3,45,96	..	7,51,07	—5,25
1959-60 . .	8,12,28	20,83	173,45	6,18,00	10,76	43,00	113,68	22	82,24	8,67,90	1,70,07	5,00	20,74	2,30,86	3,98,68	..	8,25,35	(+)42,55
1960-61 . .	9,08,92	22,43	182,88	7,03,61	5,23	47,95	131,20	3,72	85,40	9,77,11	1,88,48	5,00	27,43	2,47,55	4,57,40	..	9,25,86	(+)51,25
1961-62 . .	10,53,75	21,16	182,38	8,50,21	21,43	42,75	1,43,81	13,96	78,66	11,50,82	2,09,44	5,00	13,79	2,89,54	5,08,20	..	10,25,87	(+)1,24,85
1962-63 . .	12,85,04	23,46	2,28,16	10,33,42	21,14	32,21	1,53,23	73,91	96,88	14,10,79	2,40,43	5,00	64,31	4,25,30	5,62,35	..	12,97,39	(+)1,13,40
1963-64 (Budget) .	14,71,86	23,83	2,42,83	12,05,20	25,26	56,44	2,17,05	81,00	77,99	16,62,94	2,75,24	5,00	86,19	7,08,51	6,04,22	..	16,79,16	(—)16,22
1963-64 (Revised) . .	15,69,55	23,67	2,63,60	12,82,28	25,09	40,61	2,20,46	94,60	70,12	17,33,16	2,77,06	5,00	84,06	6,92,55	5,86,15	..	16,44,82	(+)88,34
1964-65 (Budget) . .	16,94,07	25,34	2,60,18	14,08,55	25,91	36,40	2,52,14	143,31	70,24	19,36,55	3,13,41	5,00	147,52	7,17,80	6,69,83	...	18,53,56	(+)82,99

ANNEXURE II

ANALYSIS OF TAX REVENUE INCLUDED IN ANNEXURE 1

Year	Net revenue from										Transfers to Central Road Fund	States share of Taxes and Duties					Tax Revenue retained by Union Govt.
	Customs	Union Excise Duties	Taxes on Income and Corporation Tax	Estate Duty	Taxes on Wealth	Expenditure Tax	Taxes on Railway Passenger Fares	Gift Tax	Other Tax Revenue	Total		Union Excise Duties including Addl. Excise Duties	Income Tax	Estate Duty	Taxes on Railway Passenger Fares	Total	
1953-54 . .	1,55,91	91,67	1,61,15	..	..	..	..	..	1,17	4,09,90	4,60	15,55	57,29	..	..	72,84	3,32,46
1954-55 . .	1,82,20	1,04,54	1,56,14	81	..	..	..	..	76	4,44,45	4,40	15,11	55,95	57	..	71,63	3,68,42
1955-56 . .	1,62,98	1,42,21	1,64,60	1,81	..	..	..	..	97	4,72,57	4,50	16,57	55,16	1,87	..	73,60	3,94,47
1956-57 . .	1,70,42	1,85,33	1,98,66	2,11	..	..	..	..	2,16	5,58,68	4,00	18,22	58,75	2,41	..	79,38	4,75,30
1957-58 . .	1,76,92	2,68,01	2,15,19	2,30	7,04	..	3,68	..	6,08	6,79,22	3,75	40,22	73,43	2,40	4,41	1,20,46	5,55,01
1958-59 . .	1,34,86	3,07,30	2,21,32	2,70	9,66	64	12,18	98	6,04	6,95,68	3,30	72,99	75,80	2,38	10,89	1,62,06	5,30,32
1959-60 . .	1,52,54	3,54,47	2,50,08	2,91	12,11	79	12,72	80	5,03	7,91,45	3,60	74,70	79,32	2,76	13,07	1,69,85	6,18,00
1960-61 . .	1,66,42	4,09,43	2,72,17	3,09	8,15	91	15,78	89	9,65	8,86,49	4,10	75,10	86,98	2,91	13,79	1,78,78	7,03,61
1961-62 . .	2,08,68	4,81,86	3,15,80	4,21	8,26	84	..	1,01	11,93	10,32,59	4,00	80,65	93,85	3,88	..	1,78,38	8,50,21
1362-63 . .	2,41,77	5,90,51	4,00,88	3,93	9,54	20	..	97	13,78	12,61,58	4,10	1,24,91	95,27	3,88	..	2,24,06	10,33,42
1963-64 (Budget)	2,97,02	6,87,81	4,33,52	3,91	9,10	10	..	92	15,65	14,48,03	4,10	1,36,90	97,95	3,88	..	2,38,73	12,05,20
1963-64 (Revised)	3,15,85	6,94,70	5,03,36	4,26	9,75	16	..	1,08	16,72	15,45,88	4,10	1,35,99	1,19,29	4,22	..	2,59,50	12,82,28
	3,31,73	7,60,86	5,36,45	7,30	9,93	1,55	..	3,07	17,84	16,68,73	4,10	1,41,37	1,07,49	7,22	..	2,56,08	14,08,55

ANNEXURE III
GROSS TAX REVENUE COLLECTED AND COST OF COLLECTION

Year	Customs		Union Excise Duties		Taxes on income including Corporation Tax		Estate Duty		Taxes on Wealth		Expenditure Tax		Taxes on Railway Passenger Fares		Gift Tax		Other Tax Revenue		Total Tax Revenue		Net Tax Revenue
	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	Cost of collections	Gross collections	C st of collections	
1953-54 .	1,58,71	2,80	94,98	3,31	1,64,39	3,24	..	..	..	..	..	..	..	..	..	..	2,51	1,34	4,20,59	10,69	4,09,90
1954-55 .	1,84,87	2,67	1,08,22	3,68	1,59,59	3,45	81	..	..	..	..	..	..	..	..	..	2,29	1,53	4,55,78	11,33	4,44,45
1955-56 .	1,66,70	3,72	1,45,25	3,04	1,68,41	3,81	1,81	..	..	..	..	..	..	..	..	..	2,90	1,93	4,85,07	12,50	4,72,57
1956-57 .	1,73,23	2,81	1,90,43	5,10	2,02,92	4,26	2,11	..	..	..	..	..	..	..	..	..	4,44	2,28	5,73,13	14,45	5,58,68
1957-58 .	1,79,99	3,07	2,73,62	5,61	2,19,84	4,65	2,30	..	7,04	..	..	..	3,68	..	..	..	9,30	3,22	6,95,77	16,55	6,79,22
1958-59 .	1,38,29	3,43	3,12,94	5,64	2,26,34	5,02	2,70	..	9,66	..	64	..	12,24	6	98	..	11,33	5,29	7,15,12	19,44	6,95,68
1959-60 .	1,56,11	3,57	3,60,65	6,18	2,55,41	5,33	2,91	..	12,11	..	79	..	12,81	9	80	..	10,69	5,66	8,12,28	20,83	7,91,45
1960-61 .	1,70,03	3,61	4,16,35	6,92	2,78,04	5,87	3,09	..	8,15	..	91	..	15,89	11	89	..	15,57	5,92	9,08,92	22,43	8,86,49
1961-62 .	2,12,25	3,57	4,89,31	7,45	3,21,85	6,05	4,21	..	8,26	..	84	..	..	..	1,01	..	16,02	4,09	10,53,75	21,16	10,32,59
1962-63	2,45,96	4,19	5,98,83	8,32	4,07,46	6,58	3,94	1	9,54	...	20	..	..	..	97	..	18,14	4,36	12,85,04	23,46	12,61,58
1963-64 (Budget)	3,01,20	4,18	6,96,34	8,53	4,40,00	6,48	4,00	9	9,40	30	10	..	..	..	95	3	19,87	4,22	14,71,86	23,83	14,48,03
1963-64 (Revised)	3,20,00	4,15	7,03,47	8,77	5,10,00	6,64	4,35	9	10,00	25	17	1	..	..	1,10	2	20,46	3,74	15,69,55	23,67	15,45,88
1964-65 . (Budget)	3,36,37	4,64	7,69,93	9,07	5,43,95	7,50	7,40	10	10,20	27	1,55	..	..	..	3,10	3	21,57	3,73	16,94,07	25,34	16,68,73

ANNEXURE IV

ANALYSIS OF INTEREST PAYMENTS INCLUDED IN ANNEXURE I

Year	Interest on ordinary Debt					Interest on Unfunded Debt					Interest on Reserve Funds etc.	Interest on other obligations	Grand Total
	Debt raised in India				Debt raised outside India	Post Office Certificates	Post Office Savings Bank	State Provident Funds	Other items	Total Unfunded Debt			
	Permanent Debt	Floating Debt	Other items	Total Debt raised in India									
1953-54 . . .	40,14	7,59	94	48,67	3,46	6,05	4,21	4,53	3,09	17,88	5,76	2,08	77,85
1954-55 . . .	41,94	9,63	1,18	52,75	3,49	6,71	4,52	4,91	3,52	19,66	5,43	1,33	82,66
1955-56 . . .	45,40	12,31	1,42	59,13	3,33	7,58	5,10	5,68	3,91	22,27	5,45	85	91,03
1956-57 . . .	47,40	16,46	1,40	65,26	3,31	8,63	5,65	6,43	4,03	24,74	4,37	1,73	99,41
1957-58 . . .	52,23	25,60	1,93	79,76	3,42	9,35	7,33	6,73	4,76	28,17	5,40	1,00	1,17,75
1958-59 . . .	60,98	29,57	2,20	92,75	6,31	9,41	8,02	7,75	4,94	30,12	4,73	1,21	1,35,12
1959-60 . . .	74,98	33,05	2,85	1,10,88	18,42	11,95	8,42	8,72	5,49	34,58	4,77	1,42	1,70,07
1960-61 . . .	84,76	31,18	2,82	1,18,76	23,87	14,66	8,95	9,68	6,86	40,15	4,03	1,67	1,88,41
1961-62 . . .	89,48	27,73	2,74	1,19,95	33,75	16,60	9,02	11,14	12,68	49,44	4,82	1,48	2,09,44
1962-63 . . .	94,80	29,21	3,36	1,27,37	47,00	19,32	9,44	14,43	14,78	57,97	6,47	1,62	2,40,43
1963-64 (Budget) . .	1,06,45	33,00	3,19	1,42,64	59,40	22,12	13,00	14,53	15,31	64,96	6,51	1,73	2,75,24
1963-64 (Revised) . .	1,05,03	32,00	2,98	1,40,01	59,34	21,74	16,77	15,16	14,85	68,52	7,37	1,82	2,77,06
1964-65 (Budget) . .	1,17,40	34,00	3,49	1,54,89	76,56	24,95	14,30	16,72	15,16	71,13	9,01	1,82	3,13,41

ANNEXURE V

ANALYSIS OF "OTHER EXPENDITURE" INCLUDED IN ANNEXURE I

Year	Administrative Services	Social and Developmental Services	Multi-purpose River Schemes, etc.	Public works	Transport and Communication	Miscellaneous							Contributions and Miscellaneous Adjustments (excluding States' share of Excise Duties)		Grand Total
						Famine Relief	Pensions and other Retirement benefits	Stationery and Printing	Opium	Forest	Miscellaneous	Total	Grants in aid to States	Other Miscellaneous Adjustments	
1953-54 . .	26,74	33,18	19	9,09	4,30	..	8,60	2,81	2,58	1,01	20,71	35,71	25,87	4	135,12
1954-55 . .	30,62	40,08	26	8,82	4,47	..	8,87	2,31	1,84	1,21	18,68	32,91	29,75	4	146,95
1955-56 . .	33,57	55,73	61	7,05	4,84	..	8,97	2,43	1,55	1,68	48,82	63,45	35,80	7	201,12
1956-57 . .	38,06	79,10	56	10,02	5,44	7	8,97	1,27	1,52	2,14	42,34	56,31	28,21	5	217,75
1957-58 . .	42,00	120,95	39	13,13	5,70	2	9,24	2,98	1,98	3,02	61,03	78,27	45,85	5	306,34
1958-59 . .	48,10	139,71	64	12,57	6,45	4	9,52	3,54	2,72	3,37	73,05	92,24	46,16	9	345,96
1959-60 . .	52,04	161,96	81	11,27	12,71	4	9,97	3,18	3,30	4,05	90,41	110,95	48,78	16	398,68
1960-61 . .	58,66	185,20	1,11	16,36	7,13	9	10,04	3,47	4,40	4,56	117,82	140,38	48,36	20	457,40
1961-62 . .	59,17	1,49,89	1,10	15,26	6,04	6	10,24	3,73	3,74	3,86	57,10	78,73	194,99	3,02	5,08,20
1962-63 . .	75,18	1,59,20	1,36	14,40	9,31	2	10,6 3	3,94	4,37	4,18	81,31	104,45	195,03	3,42	5,62,35
1963-64 (Budget)	88,28	1,55,40	1,96	16,84	9,79	3	10,68	3,68	3,02	4,31	89,26	110,98	217,55	3,42	6,04,22
1963-64 (Revised)	80,45	1,46,94	1,36	17,55	8,70	9	10,77	3,31	3,42	2,88	71,52	91,99	235,70	3,46	5,86,15
1964-65 (Budget)	81,84	1,68, 4	1,84	16,11	10,18	..	11,04	3,25	2,89	2,53	78,80	98,51	289,08	4,13	6,69,83

ANNEXURE VI

ANALYSIS OF EXPENDITURE ON "ADMINISTRATIVE SERVICES" INCLUDED IN ANNEXURE V

Year	Parliament	General Administration	Audit	Administration of Justice	Jails	Police	External Affairs	*Supplies and Disposals	*Miscellaneous Departments	Tribal Areas	Total
1953-54 . . .	2,34	8,62	4,81	18	4	3,16	4,56	..	..	3,03	26,74
1954-55 . . .	2,16	9,53	5,32	22	4	4,10	5,44	..	..	3,81	30,62
1955-56 . . .	2,10	10,60	5,45	21	4	4,17	5,99	..	..	5,01	33,57
1956-57 . . .	3,22	10,84	5,99	26	8	6,58	6,91	..	..	4,18	38,06
1957-58 . . .	2,84	11,90	6,47	39	13	7,81	7,00	..	..	5,46	42,00
1958-59 . . .	3,00	13,21	7,05	42	14	7,23	7,44	..	..	9,61	48,10
1959-60 . . .	2,18	13,57	7,51	45	16	8,61	8,91	..	..	10,65	52,04
1960-61 . . .	2,23	14,38	8,30	52	22	11,74	9,77	..	..	11,50	58,66
1961-62 . . .	..	19,22	8,51	54	22	18,76	11,92	..	..	..	59,17
1962-63 . . .	3,06	19,15	9,09	64	24	23,44	12,88	3,15	3,53	..	75,18
1963-64 (Budget) .	2,88	19,71	9,71	61	25	33,53	15,17	3,21	3,21	..	88,28
1963-64 (Revised) .	2,31	19,09	9,70	52	17	26,94	14,92	3,33	3,47	..	80,45
1964-65 (Budget) .	2,42	19,51	10,59	49	12	25,02	16,48	3,53	3,68	..	81,84

*Actuals in respect of earlier years appear under the Head " Industries " in Annexure VII.

ANNEXURE VII

ANALYSIS OF EXPENDITURE ON "SOCIAL AND DEVELOPMENTAL SERVICES" INCLUDED IN ANNEXURE V

Year	Scientific Departments	Education	Medical	Public Health	Agriculture	Rural Development	Animal Husbandry	Co-operation	Industries	Broadcasting	Community Development National @ Extension Service, etc.	Labour and* Employment.	Miscellaneous Social Service Organisations	Capital outlay on Industrial Development met from Revenue	Total
1953-54 .	6,80	4,30	74	87	2,34	..	34	1	11,48	2,09	..	..	4,21	..	33,18
1954-55 .	7,60	9,43	1,23	1,51	3,29	1	34	1	10,67	2,26	..	..	3,73	..	40,08
1955-56 .	8,92	14,23	1,46	2,36	6,57	30	51	6	12,75	2,68	..	..	5,89	..	55,73
1956-57 .	11,33	19,44	2,87	3,65	7,46	48	93	74	19,84	3,18	..	..	9,18	..	79,10
1957-58 .	13,23	20,98	4,52	8,69	10,61	72	95	99	45,85	3,45	..	..	10,96	..	1,20,95
1958-59 .	16,44	27,89	5,64	7,77	12,37	88	1,15	1,86	48,09	3,91	..	..	13,71	..	1,39,71
1959-60 .	19,72	36,69	6,68	8,06	13,85	86	2,13	2,53	51,84	4,20	..	..	15,40	..	1,61,96
1960-61 .	21,36	43,82	8,57	5,11	13,60	84	2,44	3,27	61,96	4,32	..	..	19,89	2	1,85,20
1961-62 .	23,00	26,01	6,10	3,81	7,57	1	1,06	2,26	48,72	4,39	2,00	4,80	20,15	1	1,49,89
1962-63 .	27,14	28,24	6,76	3,57	8,08	1	1,17	3,32	56,44	5,27	2,11	5,32	11,75	2	1,59,20
1963-64(Budget)	30,14	30,03	7,70	4,85	8,61	1	1,27	3,91	43,35	5,04	1,92	6,71	11,81	5	1,55,40
1963-64(Revised)	29,91	30,38	7,67	3,86	7,88	1	1,03	3,68	37,29	5,02	1,00	6,64	12,54	3	1,46,94
1964-65(Budget)	31,89	40,95	8,65	4,56	9,85	..	1,28	5,34	38,24	5,51	85	7,19	13,81	2	1,68,14

NOTE :—From 1961-62 all the grants to States for the Social and Developmental services are being booked under the Head 'Grants in aid to States' as shown in Annexure V—Details of Grants in-aid are given in Section II—Expenditure Estimates.

*Till 1960-61 expenditure relating to " Labour and Employment " was recorded under Major Head " Miscellaneous Departments " and " Miscellaneous ".

@Till 1960-61 expenditure under this Head was included in Section " Extraodinary Items " and appears in Annexure I.

ANNEXURE VIII

ANALYSIS OF EXPENDITURE ON "MULTIPURPOSE RIVER SCHEMES, ETC." AND "TRANSPORT AND COMMUNICATIONS (OTHER THAN ROADS)" INCLUDED IN ANNEXURE V

Year	Multipurpose River Schemes, etc.				Transport and Communications (Other than Roads)						
	Multi-purpose River Schemes	Irrigation Navigation, etc.	Electricity Schemes	Total	Ports and Pilotage	Mercantile Marine	Light-houses and Lightships	Aviation	Road and Water Transport.	Overseas Communications Service	Total
1953-54 . . .	16	3	..	19	77	..	19	2,39	5	90	4,30
1954-55 . . .	23	3	..	26	80	..	23	2,44	6	94	4,47
1955-56 . . .	59	2	..	61	89	..	35	2,53	6	1,01	4,84
1956-57 . . .	51	4	1	56	80	..	45	2,79	31	1,09	5,44
1957-58 . . .	24	11	4	39	79	..	17	2,89	65	1,20	5,70
1958-59 . . .	50	10	4	64	20	56	57	3,15	77	1,20	6,45
1959-60 . . .	63	12	6	81	46	64	63	9,03	68	1,27	12,71
1960-61 . . .	87	13	11	1,11	38	67	76	3,25	82	1,25	7,13
1961-62 . . .	69	13	28	1,10	58	79	91	3,76	..	..	6,04
1962-63 . . .	53	12	71	1,36	57	82	1,00	3,95	1,58	1,39	9,31
1963-64 (Budget) .	63	16	1,17	1,96	34	99	1,10	3,89	2,07	1,40	9,79
1963-64 (Revised) .	72	6	58	1,36	55	98	1,14	3,89	78	1,36	8,70
1964-65 (Budget) .	1,19	5	60	1,84	41	1,29	1,09	5,57	24	1,58	10,18

ANNEXURE IX

Statement showing resources transferred from Centre to States

(Figures in lakhs of Rupees)

Serial No.	Purpose	1st Five Year Plan	2nd Five Year Plan	3rd Five Year Plan			
		Actuals		Actuals 1961-62	Actuals 1962-63	Revised 1963-64	Budget 1964-65
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PART I.—*Taxes and Duties*						
	(*i*) Share of Divisible Taxes and Duties						
1	Income Tax . . .	2,78,24	3,74,67	93,85	95,27	1,19,29	1,07,49
2	Union Excise Duties . .	46,06	1,52,96	41,10	79,02	92,38	94,45
	(*ii*) Taxes and Duties accruing wholly to States						
1	Additional Duties of Excise in lieu of Sales Taxes . .	..	1,28,27	39,55	45,89	43,61	46,92
2	Taxes on Railway Passenger Fares	..	42,56	..	..	..	..
3	Estate Duty . . .	2,44	12,67	3,88	3,88	4,22	7,22
	TOTAL—PART I . .	3,26,74	7,11,13	1,78,38	2,24,06	2,59,50	2,56,08
	PART II.—*Grants met from Revenue*						
	A.—*Statutory Grants*						
1	Article 273 of the Constitution .	14,45	12,60	..	..	..	..
2	Substantive provision of Article 275(1)	27,03	1,52,99	39,50	61,43	61,75	63,50
3	Provisos to Article 275(1) .	13,45	33,89	3,91	6,74	7,43	13,36
4	Article 278	49,47	..	..	..	..	..
5	Section 74 of the S. R. Act. .	..	7,06	..	..	..	..
	B.—*Other Grants*						
	Police: Payments for Police Force .	..	2,12	3,94	3,35	4,28	7,04
	Miscellaneous Departments: Small Savings Scheme .	..	25	8	22	24	24

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3	Scientific Departments :						
	(a) Scientific and Technical Education	2,12	7,19	3,10	3,01	3,58	5,04
	(b) Reorganisation and Development of Museums	..	24	2	9	8	7
	(c) Other Grants	..	..	10	12	17	26
	(d) Scheme for Vijnan Mandirs	..	..	..	..	6	6
4	Education :						
	(a) Centrally Aided Schemes	13,27	57,46	14,08	16,29	18,13	25,30
	(b) Centrally Sponsored Schemes.			58	53	1,12	1,47
	(c) Other Schemes			10,66	4,97	6,45	5,50
	(d) Paper for the Text Books received from America	..	..	..	..	78	30
5	Medical :						
	(a) Medical Education	..	8,55	1,32	1,60	4,44	4,57
	(b) Schemes for Control of Diseases.	1	2,02	15	50	60	1,15
	(c) Other Grants		71	20	17	23	26
6	Public Health :						
	(a) Education and Training Schemes	..	50	47	38	31	24
	(b) Schemes for Control of Diseases	..	4,20	6,67	6,70	8,06	7,74
	(c) Primary Health Units and Family Planning	15	6,74	3,66	4,03	1,67	1,75
	(d) Malaria Eradication and Other Grants including Material and Equipment	6,80	29,04	6,88	5,48	2,68	2,20
7	Agriculture :						
	(a) Agricultural Production and Research	15,57	30,24	8,97	8,59	14,84	17,52
	(b) Fisheries			54	49	61	66
8	Rural Development	..	2,02	..	..	..	..
9	Animal Husbandry	12	4,67	1,32	1,52	1,98	2,86
10	Co-operation	..	..	57	75	92	1,22
11	Industries and Supplies :						
	(a) Development of Handloom	1,60	17,85	3,23	3,48	2,98	2,96
	(b) Development of Handicrafts	16	1,39	20	30	30	35
	(c) Development of Sericulture and Silk	..	55	16	50	30	30
	(d) Development of Small Scale Industries	..	7,46	3,09	4,39	1,15	3,00
	(e) Development of Coir Industry	..	35	9	13	5	7
	(f) Other Grants	..	11	16	20	12	38
12	Broadcasting :						
	(a) Community Listening	3	80	5	8	13	25
	(b) Press Information Bureau	..	..	2	2	2	2
13	Labour and Employment						
	(a) Training of Craftsmen	..	16	1	1	11	9
	(b) Training of Displaced persons	..	10,22	24	4	3	..
	(c) Other Grants			3,78	5,14	6,75	8,42

ANNEXURE IX

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
14	Miscellaneous Social and Developmental Organisations :						
	(a) National Sample Survey	..	..	13	15	20	24
	(b) Dairy Development	..	2,66	88	36	1,18	1,73
	(c) Improvement of Statistics	..	1,46	4	7	8	11
	(d) Development of Tourists Centres	..	52	22	7	7	15
	(e) National Building Organisation	..	1	1	1	2	14
	(f) Other Grants	..	..	33	9	66	1
15	Community Development, National Extension Service and Local Development Works :						
	(a) Community Development Projects	9,80	49,48	17,63	24,95	21,70	28,23
	(b) National Extension Service	5,09	16,09	1,89	6	5	..
	(c) Training Schemes and Other Grants	..	32	36	34	65	82
16	Forests :						
	(a) Forest and soil conservation Schemes	50	5,65	42	1,01	1,41	1,72
	(b) Other Grants	..	.	1,95	1,30	1,87	2,94
17	Miscellaneous Grants :						
	(a) Introduction of Metric System	..	67	36	56	25	25
	(b) Subsidy for the acquisition of Gold from Kolar and Hutti Mines	..	7,52	3,16	2,58	12	..
	(c) Treasury Work and separation of Audit from Accounts	..	13	8	..	..	..
	(d) Assistance for Natural Calamities	17,41	16,98	7,15	1,87	2,50	5,00
	(e) Grants in lieu of loss in Income tax Share consequent upon changes in Company Taxation	..	26,35	20,23	1,49	..	..
	(f) Grant in lieu of Tax on Railway Fares	..	..	12,50	12,50	12,50	12,50
	(g) Subsidy in lieu of Interest	..	..	1,11	1,25	3,51	2,45
	(h) Welfare of Backward Classes	8,75	19,41	3,73	5,52	5,50	9,87
	(i) Development of Border Areas	..	60	1,66	1,93	3,21	3,89
	(j) Relief and Rehabilitation of Displaced persons	36,22	48,61	3,03	2,33	1,88	2,07
	(k) Rural Housing Cells	..	3	4	4	5	5
	(l) Assistance for Raising Emoluments of Low Paid Employees	..	53,45	..	21	..	..
	(m) Fundamental and Basic Research	..	..	15	10	9	12
	(n) Grants to Meet Revenue Deficit of former Part C States	19,79	4,37	..	..		..
	(o) Economic Rehabilitation of Tribal Areas in Assam	..	1,02	..	..	41	25
	(p) Town Planning including preparation of Master Plans	..	..	..	28	50	70

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(q) Family Planning Grants to States	..	..	..	..	2,00	3,00
	(r) Setting up of pilot Project of Urban Community Development Scheme in various States	..	..	..	..	..	5
	(s) Compensation to State Governments on the acquisition of the Bank of Saurashtra and the Bank of Patiala	..	..	1,34	..	..	..
	(t) Other Grants (including Food Subsidy to Jammu & Kashmir)	6,42	11,22	40	8	55	47
	(u) Contribution for Election Expenses	..	..	2,47	..	..	..
	(v) Contribution for Cinnemara Library	..	..	..	..	2	4
	(w) Flood Protection Schemes	..	..	..	..	2	4
	(x) Relief to displaced goldsmiths and their families	..	..	..	..	..	53
	(y) Contribution for expenditure on Central Library, Bombay	..	..	..	1	..	3
	(z) Grants to Union Territory Governments	..	..	..	..	17,27	25,81
	TOTAL—PART II.—*Grants met from Revenue*	2,48,01	6,67,93	1,99,02	2,00,41	2,30,62	2,81,36
	PART III.—*Grants from Central Road Fund*						
	Grants from Central Road Fund	15,93	18,96	1,75	2,82	4,10	4,50
	PART IV.—*Grants met from Capital*						
1	Development Grants	12,66	18,76	4,11	4,34	6,46	8,15
	Housing Schemes:						
2	Industrial Housing and Slum clearance	4,65	12,46	3,18	3,49	2,47	5,57
3	Rural Housing Cells set up for implementation of Village Housing Project Scheme	..	1	..	..	..	..
4	Grant to Punjab Government for construction of Capital at Chandigarh.	..	1,00	..	..	..	..
	Transport Schemes						
5	State Roads of Economic or Inter-State Importance	3,93	16,81	3,48	4,05	3,75	4,25
6	Construction of Border Roads	..	4	4,50	5,91	8,42	8,00
	Other Grants						
7	National Water Supply and Sanitation Programme	2,52	7,83	60	1,17	1,30	2,00
8	Grants under the Gadgil Committee's award	..	1,72	..	..	..	..
9	Grants to Union Territory Governments	..	..	..	..	5	25
	TOTAL—PART IV—GRANTS MET FROM CAPITAL	23,76	59,06	15,87	18,96	22,45	28,22

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PART V.—*Loans*						
1	Irrigation and Multipurpose River Schemes . . .	2,52,48	3,09,58	70,57	77,33	58,18	66,25
2	Miscellaneous Development Purposes	1,71,36	2,59,28	1,15,34	1,75,02	1,87,39	2,10,71
3	Agricultural Production, Animal Husbandry, Dairying and Fisheries, Forest and Soil Conservation Schemes .	1,09,96	1,73,22	49,22	71,44	76,56	93,13
4	Rehabilitation Purposes . .	47,96	29,08	3,11	3,53	4,14	1,98
5	Industrial Housing and Other Housing Schemes .	19,94	57,65	10,72	10,81	5,70	9,25
6	Land Acquisition Schemes .			3,21	3	..	..
7	Community Development Projects and National Extension Service Schemes . .	13,83	47,47	16,26	16,11	14,30	18,76
8	Natural Calamities . .	2,10	12,91	7,24	7,71	2,00	2,00
9	Permanent Improvement in scarcity affected areas . .	27,14	12,33	10	..	..	..
10	Development of Handloom, Small Scale Industries and conversion of Handloom into Powerloom . . .	..	39,21	7,77	11,46	5,33	6,32
11	Flood Control Schemes . .		48,29	2,70	3,65	13,27	13,86
12	Urban Water Supply Scheme .	1,53,76	17,85	1,34	2,74	13,00	15,00
13	Sharing of Small Savings .		2,29,89	61,45	46,96	72,00	75,00
14	Loans out of Centralised Market Borrowing	..	..	..	..	1,01,00	..
15	Rehabilitation of goldsmiths .	..	..	..	..	3,75	..
16	Other Purposes . . .	..	1,74,08	1,03,39	96,76	69,46	93,54
	TOTAL—PART V—LOANS . .	7,98,53	14,10,84	4,52,42	5,23,55	6,26,08	6,05,80
	GRAND TOTAL . . .	14,12,97	28,67,92	8,47,44	9,69,80	11,42,75	11,75,96

The actuals shown above are provisional.

ANNEXURE X

Analysis of receipts and disbursements in India and abroad

The statement below gives a broad analysis of the receipts and disbursements of the Central Government showing separately the transactions in India and outside the country. These do not include expenditure financed by direct remittances from India to suppliers abroad thourgh commercial banking channels, the amount of which is, however, vary small.

RECEIPTS

(Figures in lakhs of Rupees)

	Budget, 1963-64			Revised, 1963-64			Budget, 1964-65		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
I. REVENUE RECEIPTS :									
(*a*) Civil	18,32,55	3,63	18,36,18	19,09,37	4,31	19,13,68	21,19,96	4,34	21,24,30
(*b*) Defence	16,86	73	17,59	18,65	2,55	21,20	16,81	1,05	17,86
(*c*) P. & T.	1,07,51	..	1,07,51	1,14,00	..	1,14,00	1,27,00	..	1,27,00
TOTAL—REVENUE	19,56,92	4,36	19,61,28	20,42,02	6,86	20,48,88	22,63,77	5,39	22,69,16
II. LOANS									
(*a*) Permanent Debt									
(*i*) From I.B.R.D.	..	12,97	12,97	..	7,03	7,03	..	6,21	6,21
(*ii*) For Steel Plants	..	8,00	8,00	..	14,65	14,65	..	7,00	7,00
(*iii*) Other Loan	5,49,79	2,92,17	8,41,96	5,29,97	3,28,22	8,58,19	5,69,67	4,14,54	9,84,21
(*b*) Floating Debt (Net)	1,81,02	..	1,81,02	42,02	..	42,02	96,02	..	96,02
TOTAL—LOANS	7,30,81	3,13,14	10,43,95	5,89,99	3,49,90	9,21,89	6,65,69	4,27,75	10,93,44
III. OTHER RECEIPTS	7,62,94	3,85	7,66,79	8,44,41	4,90	8,49,31	8,44,92	3,64	8,48,56
TOTAL—RECEIPTS	34,50,67	3,21,35	37,72,02	34,58,42	3,61,66	38,20,08	37,74,38	4,36,78	42,11,16
Opening Balance	49,62	1,00	50,62	67,83	..	67,83	50,21	..	50,21
GRAND TOTAL	35,00,29	3,22,35	38,22,64	35,26,25	3,61,66	38,87,91	38,24,59	4,36,78	42,61,37

DISBURSEMENTS

(Figures in lakhs of Rupees)

	Budget, 1963-64			Revised, 1963-64			Budget, 1964-65		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
I. EXPENDITURE MET FROM REVENUE:									
(*a*) Civil :									
(*i*) Offices and organisations aborad including Embassies & Missions	..	7,03	7,03	..	7,55	7,55	..	7,79	7,79
(*ii*) Contributions to U. N. and other International Organisations . . .	1,57	2,83	4,40	1,85	2,38	4,23	1,81	2,57	4,38
(*iii*) Debt Charges (including Service charges for Doller purchases) . .	2,41,19	42,10	2,83,29	2,41,79	42,87	2,84,66	2,71,50	49,62	3,21,12
(*iv*) Other expenditure .	8,40,13	9,04	8,49,17	8,29,64	6,71	8,36,35	9,82,25	7,97	9,90,22
(*b*) Defence . . .	6,57,32	68,78	7,26,10	6,23,04	90,71	7,13,75	6,56,40	79,26	7,35,66
P. & T. . .									
(*i*) Working Expenses	87,54	..	87,54	90,29	..	90,29	1,14,89	..	1,14,89
(*ii*) Dividend . .	6,82	..	6,82	7,31	..	7,31	8,43	..	8,43
(*iii*) Appropriations from P. T. & I Surplus	13,15	..	13,15	16,40	..	16,40	3,68	..	3,68
EXPENDITURE MET FROM REVENUE .	18,47,72	1,29,78	19,77,50	18,10,32	1,50,22	19,60,54	20,38,96	1,47,21	21,86,17

II.—CAPITAL OUTLAY INCLUDING LOANS AND ADVANCES ETC :									
(*a*) Civil :									
(*i*) Purchase of Food-grains . . .	2,05,52	23,50	2,29,02	2,25,94	26,50	2,52,44	1,91,26	24,59	2,15,85
(*ii*) Purchase of Fertilizers . . .	38,75	13,25	52,00	39,15	12,85	52,00	43,00	19,00	62,00
(*iii*) Steel Plants .	84,66	16,34	1,01,00	63,11	17,89	81,00	74,99	36,01	1,11,00
(*iv*) Repayment of debt other than Floating debt . .	1,91,76	40,71	2,32,47	2,03,34	37,50	2,40,84	2,18,60	41,01	2,59,61
(*v*) Loans and Advances by Central Govt. (net) excluding loans to H.S. (P) Ltd. . .	4,47,48	1	4,47,49	5,47,44	1	5,47,45	5,41,77	..	5,41,77
(*vi*) Other Miscellaneous Expenditure and Recoveries on Capital Account .	3,03,86	23,96	3,27,82	2,89,84	30,47	3,20,31	4,15,11	10,64	4,25,75
TOTAL—CIVIL . .	12,72,03	1,17,77	13,89,80	13,68,82	1,25,22	14,94,04	14,84,73	1,31,25	16,15,98

DISBURSEMENTS—*concld.*

(Figures in lakhs of Rupees)

	Budget, 1963-64			Revised, 1963-64			Budget, 1964-65		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
(*a*) Defence . . .	1,39,23	19,49	1,58,72	1,09,02	6,61	1,15,63	1,21,33	14,77	1,36,10
(*b*) P. & T. . . .	28,00	..	28,00	30,24	..	30,24	20,59	..	20,59
(*c*) Railways . .	1,57,52	60,98	2,18,50	1,83,57	53,68	2,37,25	1,94,53	58,47	2,53,00
TOTAL—DISBURSEMENTS I & II	34,44,50	3,28,02	37,72,52	35,01,97	3,35,73	3,387,70	38,60,14	3,51,70	42,11,84
Closing Balance .	49,12	1,00	50,12	50,21	..	50,21	49,53	..	49,53
GRAND TOTAL . .	34,93,62	3,29,02	38,22,64	35,52,18	3,35,73	38,87,91	39,09,67	3,51,70	42,61,37
Net Surplus (+) . . Deficit(—) . . .	+6,17	—6,67	—50	—43,55	+25,93	—17,62	—85,76	+85,08	—68

ANNEXURE XI

Statement showing the distribution by Demands for Grants of the expenditure shown by heads of account in the Budget of Central Government for 1964-65.

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross Expenditure (*i.e.* amount of Demand)	Amount: Recoveries taken in reduction of Expenditure in the Budget	Amount: Net expenditure shown in the Budget
I. *Expenditure met from Revenue—*				
Collection of Taxes, Duties and other Principal Revenues:				
1. Customs . . .	20. Customs . . .	4,64,24	..	4,64,24
2. Union Excise Duties .	21. Union Excise Duties .	11,14,73	—2,07,71	9,07,02
3. Corporation Tax .	22. Taxes on Income including Corporation Tax, etc.	81,23	..	81,23
4. Taxes on Income other than Corporation Tax.	22. Taxes on Income including Corporation Tax, etc.	6,68,77	..	6,68,77
5. Estate Duty . .	22. Taxes on Income including Corporation Tax, etc. .	9,30		9,30
6. Taxes on Wealth .	22. Taxes on Income including Corporation Tax, etc.	27,09	..	27,09
7. Expenditure Tax .	22. Taxes on Income, etc. .	14	...	14
8. Gift Tax . .	22. Taxes on Income, etc. .	2,57	..	2,57
9. Land Revenue . .	17. Dadra—Nagar Haveli Area	1,70	..	1,70
	53. Delhi	2,70	..	2,70
	54. Andaman and Nicobar Islands . . .	1,95	..	1,95
	55. Laccadive, Minicoy & Amindivi Islands . .	91	..	91
	TOTAL—LAND REVENUE	7,26	..	7,26
10. State Excise Duties .	17. Dadra—Nagar Haveli Area . . .	80	..	80
	53. Delhi	2,29	..	2,29
	TOTAL—STATE EXCISE DUTIES . .	3,09	..	3,09
11. Taxes on Vehicles .	17. Dadra-Nagar Haveli Area	1	..	1
	53. Delhi	4,07	..	4,07
	TOTAL—TAXES ON VEHICLES . .	4,08	...	4,08
12. Sales Tax . .	53. Delhi . .	16,08	..	16,08
13. Other Taxes and Duties	53. Delhi	24,99		24,99

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
14. Stamps	23. Stamps	3,18,48	—3,03	3,15,45
	53. Delhi	1,44	..	1,44
	54. Andaman and Nicobar Islands	2	..	2
	55. Laccadive, Minicoy and Amindivi Islands	1	..	1
TOTAL—STAMPS		3,19,95	—3,03	3,16,92
15. Registration Fees	17. Dadra-Nagar Haveli Area	1	..	1
	53. Delhi	93	..	93
TOTAL—REGISTRATION FEES		94	..	94
TOTAL—COLLECTION OF TAXES, DUTIES AND OTHER PRINCIPAL REVENUES		27,44,46	—2,10,74	25,33,72
Debt Services:				
16. Interest on Debt and other obligations	*Interest on Debt and other obligations*	3,13,45,62	—4,46	3,13,41,16
17. Appropriation for Reduction or Avoidance of Debt	Do.	5,00,00	..	5,00,00
Administrative Services—				
18. Parliament and State Legislatures	75. Elections	85,90	..	85,90
	97. Department of Parliamentary Affairs	3,65	..	3,65
	108. Lok Sabha	1,06,75	..	1,06,75
	110. Rajya Sabha.	45,94	—3	45,91
	TOTAL—PARLIAMENT, ETC.	2,42,24	—3	2,42,21
19. General Administration	1. Ministry of Community Development and Co-operation	28,80	..	28,80
	3. Ministry of Defence	60,50	..	60,50
	8. Ministry of Education	86,26	..	86,26
	15. Tribal Areas	1,28,82	—1,90	1,26,92
	16. External Affairs	1,77,04	—1,18	1,75,86
	17. Dadra—Nagar Haveli Area	1,42	..	1,42
	19. Ministry of Finance	2,22,27	—24	2,22,03
	36. Ministry of Food and Agriculture	84,78	—6	84,72

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of the Demand)	Recoveries taken in reduction of expenditure in Budget	Net expenditure shown in the Budget
	42. Ministry of Health	22,81	..	22,81
	45. Ministry of Home Affairs	4,53,39	—35	4,53,04
	46. Cabinet	45,83	..	45,83
	47. Zonal Councils	1,27	..	1,27
	53. Delhi	68,21	..	68,21
	54. Andaman and Nicobar Islands	12,17	..	12,17
	55. Laccadive, Minicoy and Amindivi Islands	4,39	..	4,39
	57. Ministry of Industry	37,47	..	37,47
	61. Ministry of Information and Broadcasting	15,62	..	15,62
	64. Ministry of International Trade	33,29	..	33,29
	67. Ministry of Irrigation and Power	25,83	—88	24,95
	70. Ministry of Labour and Employment	29,57	..	29,57
	74. Ministry of Law	46,06	—80	45,26
	77. Ministry of Petroleum and Chemicals	17,65	..	17,65
	79. Ministry of Steel, Mines and Heavy Engineering	41,17	..	41,17
	82. Ministry of Transport	1,06,19	—7,79	98,40
	90. Ministry of Works, Housing and Rehabilitation	46,64	..	46,64
	95. Department of Atomic Energy	19,28	..	19,28
	98. Department of Posts and Telegraphs	9,79	..	9,79
	103. Department of Supply	51,52	..	51,52
	106. Department of Technical Development	3,08	..	3,08
	111. Secretariat of the Vice-President	2,17	..	2,17
	Staff, Household and Allowances of the President	29,46	..	29,46
	Union Public Service Commission	51,27	..	51,27
	TOTAL—GENERAL ADMINISTRATION	19,64,02	—13,20	19,50,82
20. Audit	24. Audit	14,19,17	—3,60,49	10,58,68
21. Administration of Justice	17. Dadra—Nagar Haveli Area	30	..	30
	48. Administration of Justice	23,79	—7	23,72
	53. Delhi	25,03	..	25,03
	54. Andaman and Nicobar Islands	3	..	3
	55. Laccadive, Minicoy and Amindivi Islands	2	..	2
	TOTAL—ADMINISTRATION OF JUSTICE	49,17	—7	49,10
22. Jails	17. Dadra—Nagar Haveli Area	12	..	12
	53. Delhi	11,39	—80	10,59

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure in the Budget
	54. Andaman and Nicobar Islands	82	..	82
	55. Laccadive, Minicoy, etc.	1	..	1
TOTAL—JAILS		12,34	—80	11,54
23. Police	15. Tribal Areas	8,68,84	—1,16,00	7,52,84
	17. Dadra—Nagar Haveli Area	1,42	..	1,42
	49. Police	14,63,84	—43,55	14,20,29
	53. Delhi	2,99,35	..	2,99,35
	54. Andaman & Nicobar Islands	27,11	..	27,11
	55. Laccadive, Minicoy, etc.	1,23	..	1,23
TOTAL—POLICE		26,61,79	—1,59,55	25,02,24
24. External Affairs	19. External Affairs	16,77,41	—29,64	16,47,77
25. Supplies and Disposals	104. Supplies and Disposals	3,53,76	—43	3,53,33
26.—Miscellaneous Deptts.	14. Other Revenue expenditure of the Ministry of Education	15,27	..	15,27
	31. Other Revenue expenditure of the Ministry of Finance	1,07,81	—3,16	1,04,65
	41. Other Revenue expenditure of the Ministry of Food and Agriculture	8,59	—11	8,48
	53. Delhi	9,18	..	9,18
	54. Andaman and Nicobar Islands	90	..	90
	56. Other Revenue expenditure of the Ministry of Home Affairs	7,81	—1,00	6,81
	60. Other Revenue expenditure of the Ministry of Industry	28,17	..	28,17
	63. Other Revenue expenditure of the Ministry of Information and Broadcasting	89,47	—1,05	88,42
	65. Foreign Trade	77,52	..	77,52
	66. Other Revenue expenditure of the Ministry of International Trade	20,52	..	20,52
	73. Other Revenue expenditure of the Ministry of Labour and Employment	28	—24	4
	94. Other Revenue expenditure of the Ministry of Works, Housing and Rehabilitation.	7,92	..	7,92
TOTAL—MISCELLANEOUS DEPARTMENTS		3,73,44	—5,56	3,67,88
TOTAL—ADMINISTRATIVE SERVICES		87,53,34	—5,69,77	81,83,57
Social and Developmental Services—				
	10. Archaeology	1,28,30	..	1,28,30
	11. Survey of India	4,16,09	—71,29	3,44,80
	12. Botanical Survey	28,35	..	28,35
	13. Zoological Survey	25,96	—10	25,86
27.—Scientific Department	14. Other Revenue Expenditure of the Ministry of Education	8,73,39	—1,45	8,71,94

(In thousands of Rupees)

Major Head or Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
27. Scientific Departments	41. Other Revenue expenditure of the Ministry of Food and Agriculture	9,51	..	9,51
	71. Chief Inspector of Mines	34,82	..	34,82
	80. Geological Survey	3,54,37	—23,39	3,30,98
	81. Other Revenue expenditure of the Ministry of Steel, Mines and Heavy Engineering	1,78,05	..	1,78,05
	83. Meteorology	2,68,12	—21,05	2,47,07
	96. Atomic Energy Research	9,88,92	..	9,88,92
	TOTAL—SCIENTIFIC DEPARTMENTS	33,05,88	—1,17,28	31,88,60
28. Education	9. Education	36,57,71	—2,88,08	33,69,63
	15. Tribal Areas	39,33	..	39,33
	17. Dadra—Nagar Haveli Area	2,91	..	2,91
	53. Delhi	6,53,08	..	6,53,08
	54. Andaman & Nicobar Islands	18,54	..	18,54
	55. Laccadive, Minicoy and Amindivi Islands	11,41	..	11,41
	TOTAL—EDUCATION	43,82,98	—2,88,08	40,94,90
29. Medical	15. Tribal Areas	42,06	..	42,06
	17. Dadra—Nagar Haveli Area	39	..	39
	43. Medical and Public Health.	7,63,48	—74,01	6,89,47
	53. Delhi	1,17,26	..	1,17,26
	54. Andaman & Nicobar Islands	13,22	..	13,22
	55. Laccadive, Minicoy and Amindivi Islands	2,95	..	2,95
	TOTAL—MEDICAL	9,39,36	—74,01	8,65,35
30. Public Health	15. Tribal Areas	6,10	—1,59	4,51
	17. Dadra—Nagar Haveli Area	23	..	23
	43. Medical and Public Health.	4,83,69	—38,30	4,45,39
	53. Delhi	57	—55	2
	54. Andaman & Nicobar Islands	5,24	—36	4,88
	55. Laccadive, Minicoy and Amindivi Islands	1,10	..	1,10
	TOTAL—PUBLIC HEALTH	4,96,93	—40,80	4,56,13
31. Agriculture	15. Tribal Areas	20,61	—45	20,16
	17. Dadra—Nagar Haveli Area	25	..	25
	37. Agriculture	4,36,48	—1,08,26	3,28,22
	38. Agricultural Research	6,74,43	—66,78	6,07,65
	53. Delhi	12,44	—1,70	10,74
	54. Andaman & Nicobar Islands	13,45	..	13,45
	55. Laccadive, Minicoy and Amindivi Islands	4,32	..	4,32
	TOTAL—AGRICULTURE	11,61,98	—1,77,19	9,84,79

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
32. Rural Development	41. Other Revenue expenditure of the Ministry of Food and Agriculture	94	—64	30
33 Animal Husbandry	17. Dadra—Nagar Haveli Area	10	..	10
	39. Animal Husbandry	1,12,94	—2,41	1,10,53
	53. Delhi	14,37	..	14,37
	54. Andaman & Nicobar Islands	2,78	..	2,78
	55. Laccadive, Minicoy and Amindivi Islands	19	..	19
	TOTAL—ANIMAL HUSBANDRY	1,30,38	—2,41	1,27,97
34. Co-operation	2. Community Development Projects, National Extension Service and Co-operation	5,16,84	..	5,16,84
	15. Tribal Areas	6,35	..	6,35
	17. Dadra—Nagar Haveli Area	16	..	16
	53. Delhi	8,42	..	8,42
	54 Andaman & Nicobar Islands	1,06	..	1,06
	55. Laccadive, Minicoy and Amindivi Islands	79	..	79
	TOTAL—CO-OPERATION	5,33,62	..	5,33,62
35. Industries	15. Tribal Areas	9,81	..	9,81
	17. Dadra-Nagar Haveli Area	3	..	3
	53. Delhi	9,58	..	9,58
	54. Andaman and Nicobar Islands	1,92	..	1,92
	55. Laccadive, Minicoy and Amindivi Islands	1,77	..	1,77
	58. Industries	18,57,26	—37,31	18,19,95
	59. Salt	53,82	—15,00	38,82
	66. Other Revenue Expenditure of the Ministry of International Trade	2,91,08	..	2,91,08
	81. Other Revenue Expenditure of the Ministry of Steel, Mines and Heavy Engineering	26,78,38	—11,90,00	14,88,38
	89. Other Revenue Expenditure of the Ministry of Transport	1,18,00	..	1,18,00
	107. Other Revenue Expenditure of the Department of Technical Development	44,57	..	44,57
	TOTAL—INDUSTRIES	50,66,22	—12,42,31	38,23,91
36. Broadcasting	62. Broadcasting	5,91,06	—40,33	5,50,73

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
37. Community Development Projects, National Extension Service and Local Development Works.	2. Community Development Projects, etc.	53,60	—3,70	49,90
	15. Tribal Areas	17,04	..	17,04
	17. Dadra—Nagar Haveli Area	5,56	..	5,56
	53. Delhi	4,92	..	4,92
	54. Andaman and Nicobar Islands	7,85	..	7,85
	55. Laccadive, Minicoy and Amindivi Islands	15	..	15
	TOTAL—COMMUNITY DEVELOPMENT, ETC.	89,12	—3,70	85,42
38. Labour and Employment.	53. Delhi	61,78	..	61,78
	5 Andaman and Nicobar Islands	7,27	—3,20	4,07
	72. Labour and Employment	11,28,01	—4,75,05	6,52,96
	TOTAL—LABOUR & EMPLOYMENT	11,97,06	—4,78,25	7,18,81
39. Misc. Social and Developmental Organisations.	14. Other Revenue Expenditure of the Ministry of Education	34,07	—16	33,91
	15. Tribal Areas	4,30	..	4,30
	17. Dadra—Nagar Haveli Area.	7	..	7
	41. Other Revenue Expenditure of the Ministry of Food and Agriculture	1,31,44	—13,75	1,17,69
	44. Other Revenue Expenditure of the Ministry of Health	12,13	..	12,13
	50. Census	1,36,53	..	1,36,53
	51. Statistics	2,30,05	..	2,30,05
	53. Delhi	31,46	..	31,46
	56. Other Revenue Expenditure of the Ministry of Home Affairs	11,47	..	11,47
	63. Other Revenue Expenditure of the Ministry of Information & Broadcasting	3,45,30	—38,00	3,07,30
	65. Foreign Trade	2,50,94	..	2,50,94
	66. Other Revenue of the Ministry of International Trade.		..	1
	69. Other Revenue Expenditure of the Ministry of Irrigation and Power	1,37,19	—32,98	1,04,21

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
	89. Other Revenue Expenditure of the Ministry of Transport	1,03,01	..	1,03,01
	94. Other Revenue Expenditure of the Ministry of Works, Housing & Rehabilitation . . .	22,43	—1,50	20,93
	102. Other Revenue Expenditure of the Department of Posts and Telegraphs.	17,17	..	17,17
TOTAL—MISC. SOCIAL AND DEVELOPMENTAL ORGANISATIONS		14,67,57	—86,39	13,81,18
40. Capital Outlay on Industrial Development (Capital Account within the Revenue Account)	59. Salt	2,20	..	2,20
	TOTAL—SOCIAL AND DEVELOPMENTAL SERVICES	1,93,65,30	—25,51,39	1,68,13,91
Multipurpose River Schemes, Irrigation and Electricity Schemes :				
42. Multipurpose River Schemes . . .	68. Multipurpose River Schemes	1,92,03	—72,98	1,19,05
44. Irrigation, Navigation Embankment and Drainage Works.	53. Delhi . . .	4,51	..	4,51
	69. Other Revenue Expenditure of the Ministry of Irrigation and Power .	85	..	85
	TOTAL—IRRIGATION, ETC. .	5,36	..	5,36
45. Electricity Schemes .	17. Dadra-Nagar Haveli Area	25	..	25
	54. Andaman and Nicobar Islands	8,64	—1,55	7,09
	55. Laccadive, Minicoy and Amindivi Islands . .	1,23	..	1,23
	69. Other Revenue Expenditure of the Ministry of Irrigation and Power . .	5,20,52	—4,70,00	50,92
	TOTAL—ELECTRICITY SCHEMES.	5,31,04	—4,71,55	59,49
	TOTAL—MULTIPURPOSE RIVER SCHEMES, IRRIGATION, ETC.	7,28,43	—5,44,53	1,83,90

(In thousands of Rupees)

Major Heads Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
50. Public Works	84. Central Road Fund	4,40,47	—30,47	4,10,00
	85. Communications (including National Highways)	7,66,37	..	7,66,37
	91. Public Works	34,13,29	—25,68,69	8,44,60
	TOTAL—PUBLIC WORKS	46,20,13	—25,99,16	20,20,97
Transport and Communications (Other than Roads) :				
53. Ports and Pilotage	54. Andaman and Nicobar Islands	64,67	—23,50	41,17
	55. Laccadivi, Minicoy, etc.	16	..	16
	TOTAL	64,83	—23,50	41,33
54. Mercantile Marine	86. Mercantile Marine	1,29,53	—91	1,28,62
55. Lighthouses and Light ships	87. Lighthouses and Lightships	1,09,30	..	1,09,30
56. Aviation	88. Aviation	7,04,22	—1,47,01	5,57,21
57. Road and Water Transport Schemes	17. Dadra-Nagar Haveli Area	64	..	64
	54. Andaman & Nicobar Islands	14,07	..	14,07
	55. Laccadive, Minicoy and Amindivi Islands	8,95	..	8,95
	TOTAL—ROAD AND WATER TRANSPORT SCHEMES	23,66	..	23,66
58. Overseas Communications Service	99. Overseas Communications Service	1,58,71	—41	1,58,30
	TOTAL—TRANSPORT AND COMMUNICATIONS (OTHER THAN ROADS)	11,90,25	—1,71,83	10,18,42
Currency and mint :				
62. Currency & Coinage	25. Currency and Coinage	9,71,91	—18,80	9,53,11
63. Mint	26. Mint	2,64,69	—30	2,64,39
63. A. Kolar Gold Mines	27. Kolar Gold Mines	5,15,39	..	5,15,39
	TOTAL—CURRENCY AND MINT	17,51,99	—19,10	17,32,89
Miscellaneous :				
64. Famine Relief	53. Delhi	50	.	50
	54. Andaman and Nicobar Islands	4	...	4
	TOTAL—FAMINE	54	..	54

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
65. Pensions and Other Retirement benefits.	28. Pensions and Other Retirement benefits . . .	6,03,97	—30,76	5,73,21
66. Territorial and Political Pensions.	29. Territorial and Political Pensions . . .	21,80	..	21,80
67. Privy Purses and allowances of Indian Rulers . .	52. Privy Purses and Allowances of Indian Rulers . .	5,09,17	..	5,09,17
68. Stationery and Printing				
	53. Delhi	24	..	24
	54. Andaman & Nicobar Islands	1,19	..	1,19
	92. Stationery & Printing .	11,54,69	—8,31,03	3,23,66
	TOTAL—STATIONERY AND PRINTING	11,56,12	—8,31,03	3,25,09
69. Opium . . .	30. Opium	2,88,76	..	2,88,76
70. Forest . . .	15. Tribal Areas	79,17	—55,00	24,17
	17. Dadra-Nagar Haveli Area	1,34	...	1,34
	40. Forest	1,24,87	—1,04	1,23,83
	53. Delhi	2,41	...	2,41
	54. Andaman and Nicobar Islands	1,15,82	—14,76	1,01,06
	TOTAL—FOREST	3,23,61	—70,80	2,52,81
71. Miscellaneous				
	14. Other Revenue Expenditure of the Ministry of Education	2,58,30	—2,50	2,55,80
	15. Tribal Areas	3,63,76	—60,00	3,03,76
	17. Dadra-Nagar Haveli Area	1,07	..	1,07
	18. Other Revenue Expenditure of the Ministry of External Affairs . . .	7,81,16	..	7,81,16
	31. Other Revenue Expenditure of the Ministry of Finance .	17,50,11	—25,10	17,25,01
	32. Planning Commission .	1,10,63	..	1,10,63
	41. Other Revenue Expenditure of the Ministry of Food and Agriculture . . .	17,28,74	—90	17,27,84
	44. Other Revenue Expenditure of the Ministry of Health	83,08	..	83,08
	53. Delhi	3,54,22	—2,60	3,51,62
	54. Andaman & Nicobar Islands	7,61	..	7,61
	55. Laccadive, Minicoy and Amindivi Islands . .	7,95	..	7,95
	56. Other Revenue Expenditure of the Ministry of Home Affairs	82,84	—6,48	76,36
	60. Other Revenue Expenditure of the Ministry of Industry	2,94	..	2,94

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
71. Miscellaneous—*concld.*				
	63. Other Revenue Expenditure of the Ministry of Information and Broadcasting	24,20	..	24,20
	65. Foreign Trade	6,04,93	—3,00,00	3,04,93
	66. Other Revenue Expenditure of the Ministry of International Trade	7,90	..	7,90
	69. Other Revenue Expenditure of the Ministry of Irrigation and Power	16,62	..	16,62
	73. Other Revenue Expenditure of the Ministry of Labour and Employment	73	..	73
	76. Other Revenue Expenditure of the Ministry of Law	2,20	..	2,20
	78. Other Revenue Expenditure of the Ministry of Petroleum and Chemicals	95,09	—9	95,00
	81. Other Revenue Expenditure of the Ministry of Steel, Mines and Heavy Engineering	9,76,37	—37	9,76,00
	89. Other Revenue Expenditure of the Ministry of Transport	85,22	..	85,22
	93. Expenditure on displaced persons	8,46,01	..	8,46,01
	94. Other Revenue Expenditure of the Ministry of Works, Housing and Rehabilitation	60,24	—1,00	59,24
	96. Atomic Energy Research	8,37	..	8,37
	102. Other Revenue Expenditure of the Department of Posts and Telegraphs	8,75	—1,15	7,60
	105. Other Revenue Expenditure of the Department of Supply	10,41	..	10,41
	109. Other Revenue Expenditure of the Lok Sabha	45	..	45
TOTAL—MISCELLANEOUS		82,79,90	—4,00,19	78,79,71
TOTAL—MISCELLANEOUS SECTION		1,11,83,87	—13,32,78	98,51,09
73. Payments of States' share of Union Excise Duties.	Payments of States' share of Union Excise Duties	1,40,97,76	..	1,40,97,76
74. Grants-in-aid to State and Union Territory Governments	33. Grants-in-aid to State and Union Territory Governments	2,95,76,35	—6,68,84	2,89,07,51
75. Miscellaneous Adjustments between Central, State and Union Territory Governments.	34. Miscellaneous Adjustments between Central, State and Union Territory Governments	28,18	..	28,18

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
76. Other Miscellaneous Contributions and Assignments.	53. Delhi	3,85,42	..	3,85,42
77. Extraordinary Payments.	31. Other Revenue Expenditure of the Ministry of Finance	1,40,00,00	..	1,40,00,00
	69. Other Revenue Expenditure of the Ministry of Irrigation and Power	2,25,75	..	2,25,75
TOTAL—EXTRAORDINARY PAYMENTS		1,42,25,75	..	1,42,25,75
78. Pre-partition Payments	40. Prepartition Payments	20,92	..	20,92
78-A—Expenditure Connected with the National Emergency, 1962.	31. Other Revenue Expenditure of the Ministry of Finance	3,22,00	—22,00	3,00,00
	53. Delhi	18,00	..	18,00
	56. Other Revenue Expenditure of the Ministry of Home Affairs	1,73,26	..	1,73,26
	63. Other Revenue Expenditure of the Ministry of Information and Broadcasting		..	1,59
	73. Other Revenue Expenditure of the Ministry of Labour and Employment	13,90	—3,00	10,90
	89. Other Revenue Expenditure of the Ministry of Transport	1,06	..	1,06
	102. Other Revenue Expenditure of the Department of Posts and Telegraphs	58	..	58
TOTAL—EXPENDITURE CONNECTED WITH THE NATIONAL EMERGENCY, 1962.		5,30,39	—25,00	5,05,39
79. Defence Services, Effective—Army.	4. Defence Services, Effective Army	5,82,98,50	—16,94,50	5,66,04,00
80. Defence Services, Effective—Navy.	5. Defence Services, Effective Navy	23,15,00	—5,00	23,10,00
81. Defence Services, Effective—Air Force.	6. Defence Services, Effective Air Force	1,24,62,00	..	1,24,62,00
82. Defence Services, Non-Effective.	7. Defence Services, Non-Effective	21,90,50	..	21,90,50
	TOTAL DEFENCE	7,52,66,00	—16,99,50	7,35,66,50
	TOTAL	21,63,14,16	—1,03,97,10	20,59,17,06
Add—Railway Expenditure as per Railway Budget.		6,68,15,71	..	6,68,15,71
TOTAL—EXPENDITURE MET FROM REVENUE		28,31,29,87	—1,03,97,10	27,27,32,77
Posts and Telegraphs—				
90. Posts and Telegraphs	100. Posts and Telegraphs Department. Working Expenses	1,23,77,49	—8,88,26	1,14,89,23
	101. Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds	12,10,77	..	12,10,77
TOTAL—POSTS AND TELEGRAPHS		1,35,88,26	—8,88,26	1,27,00,00
GRAND TOTAL		29,67,18,13	—1,12,85,36	28,54,32,77

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
	Deduct—Railway Expenditure	6,68,15,71	..	6,68,15,71
TOTAL—EXPENDITURE MET FROM REVENUE AS SHOWN IN DEMANDS FOR GRANTS		22,99,02,42	-1,12,85,36	21,86,17,06
II. Capital Account not met from Revenue—				
93. Capital Outlay on the Security Printing Press.	116. Capital Outlay on the India Security Press	19,56	..	19,56
94. Capital Outlay on Improvement of Public Health.	127. Capital Outlay of the Ministry of Health.	5,00	..	5,00
95. Capital Outlay on Schemes of Agricultural Improvement and Research.	112. Capital Outlay of the Ministry of Community Development and Co-operation	7,00	..	7,00
	126. Other Capital Outlay of the Ministry of Food and Agriculture	3,00,88	—26,17	2,74,71
	TOTAL	3,07,88	—26,17	2,81,71
95.-A. Capital Outlay on Consumer Co-operatives.	128. Capital Outlay of the Ministry of Home Affairs	1,00	..	1,00
	135. Capital Outlay of the Ministry of Labour and Employment	1,05	—1,05	..
	TOTAL	2,05	—1,05	1,00
96. Capital Outlay on Industrial Development.	114. Capital Outlay of the Ministry of Education	4,59,75	..	4,59,75
	126. Other Capital Outlay of the Ministry of Finance.	7,00	..	7,00
	129. Capital Outlay of the Ministry of Industry	3,10,80	—9,30	3,01,50
	135. Capital Outlay of the Ministry of Petroleum and Chemicals	51,53,41	—41	51,53,00
	136. Capital Outlay of the Ministry of Steel, Mines and Heavy Engineering	1,37,09,00	—89,00	1,36,20,00
	140. Other Capital Outlay of the Ministry of Transport	1,55,00	—40	1,54,60
	143. Other Capital Outlay of the Ministry of Works, Housing and Rehabilitation	34,25	..	34,25
	144. Capital Outlay of the Department of Atomic Energy	19,81,70	..	19,81,70
	146. Other Capital Outlay of the Department of Posts and Telegraphs.	10,00	..	10,00
TOTAL—CAPITAL OUTLAY ON INDUSTRIAL DEVELOPMENT		2,18,20,91	—99,11	2,17,21,80

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i. e.* amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
97. Capital Outlay on Broadcasting.	130. Capital Outlay of the Ministry of Information and Broadcasting	2,10,07	—65,35	1,44,72
Capital Account of Multipurpose River Schemes, etc.				
98. Capital Outlay on Multi-purpose River Schemes.	132. Capital Outlay on Multipurpose River Schemes .	10,54,67	—87,01	9,67,66
100. Capital Outlay on Irrigation, Nagivation, Embankment and Drainage Works (non-Commercial). . .	133. Other Capital Outlay of the Ministry of Irrigation and Power	90,17	..	90,17
101. Capital Outlay on Electricity Schemes. .	133. Other Capital Outlay of the Ministry of Irrigation and Power	15,60	—1,00	14,60
TOTAL—MULTIPURPOSE RIVER SCHEMES, ETC. . .		11,60,44	—88,01	10,72,43
103. Capital Outlay on Public Works. . .	137. Capital Outlay on Roads .	57,20,95	..	57,20,95
	141. Capital Outlay on Public works. . . .	9,50,26	—65,00	8,85,26
TOTAL—CAPITAL OUTLAY ON PUBLIC WORKS . .		66,71,21	—65,00	66,06,21
104. Delhi Capital Outlay.	142. Delhi Capital Outlay . .	25,01,00	—11,28,00	13,73,00
108. Capital Outlay on Dandakaranya Development Schemes .	143. Other Capital Outlay of the Ministry of Works, Housing and Rehabilitation . .	5,05,00	—80,00	4,25,00
108A. Capital Outlay on Free Trade Zone at Kandla . .	131. Capital Outlay of the Ministry of International Trade	10,00	—10	9,90
109. Capital Outlay on Other Works.	126. Other Capital Outlay of the Ministry of Food and Agriculture . . .	3,45,71	—5	3,45,66
110. Capital Outlay on Ports.	138. Capital Outlay on Ports .	2,66,47	—18,00	2,48,47
111. Capital Outlay on Lighthouses and Lightships.	140. Other Capital Outlay of the Ministry of Transport .	47,25	—47,25	..
112. Capital Outlay on Aviation.	139. Capital Outlay on Civil Aviation	4,94,74	..	4,94,74

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.* amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
115. Capital Outlay on Overseas Communications Service.	140. Other Capital Outlay of the Ministry of Transport .	35,00	—6,14	28,86
116. Capital Outlay on Shipping Tankers, etc.				
	128. Capital Outlay of the Ministry of Home Affairs.	23,90	..	23,90
	140. Other Capital Outlay of the Ministry of Transport	98,50	..	98,50
	TOTAL—CAPITAL OUTLAY ON SHIPPING TANKERS, ETC. .	1,32,40	..	1,32,40
117. Capital Outlay on Currency and Coinage.	117. Capital Outlay on Currency and Coinage .	11,60,73	—3,00,21	8,60,52
118. Capital Outlay on Mints. . . .	118. Capital Outlay on Mints	33,09	..	33,09
118-A, Capital Outlay on Kolar Gold Mines .	119. Capital Outlay on Kolar Gold Mines . . .	80,58	—24,35	56,23
119. Capital Outlay on Forests. . .	124. Capital Outlay on Forests	1,93	..	1,93
120. Payments of Commuted Value of Pensions	120. Commuted value of Pensions	1,25,00	—85,30	39,70
121. Capital Outlay on Sterling Pensions	Capital Outlay on Sterling Pensions . . .	..	—6,34,37	—6,34,37
124. Capital Outlay on Schemes of Government Trading.				
	112. Capital Outlay of the Ministry of Community Development and Co-operation . .	700	—700	..
	114. Capital Outlay of the Ministry of Education .	1,00,25	—1,00,25	..
	115. Capital Outlay of the Ministry of External Affairs	1,65,00	—1,70,00	—5,00
	121. Other Capital Outlay of the Ministry of Finance	5,20,41	—5,20,41	..
	125. Purchase of Foodgrains	2,50,89,49	—2,14,46,00	36,43,49
	126. Other Capital Outlay of the Ministry of Food and Agriculture . . .	67,21,48	—74,52,37	—7,30,89

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.* amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
124. Capital Outlay on Schemes of Government Trading—*concld.*:	127. Capital Outlay of the Ministry of Health	9,00,30	—8,86,93	13,37
	128. Capital Outlay of the Ministry of Home Affairs	40,79	—40,79	..
	129. Capital Outlay of the Ministry of Industry	1,52	—1,52	..
	130. Capital Outlay of the Ministry of Information and Broadcasting	91	—91	..
	131. Other Capital Outlay of the Ministry of International Trade	50,00	—49,99	1
	134. Capital Outlay of the Ministry of Labour and Employment	2,66	—2,66	..
	136. Capital Outlay of the Ministry of Steel, Mines and Heavy Engineering	77,77	—1,97,50	—1,19,73
	140. Other Capital Outlay of the Ministry of Transport	3,87,34	—85,09	3,02,25
	146. Other Capital Outlay of the Department of Posts and Telegraphs	1,00	—1,00	..
	TOTAL—CAPITAL OUTLAY ON SCHEMES OF GOVERNMENT TRADING	3,40,65,92	--3,09,62,42	31,03,50
126. Capital Outlay on Grants to State and Union Territory Governments for Development	122. Capital Outlay on Grants to State and Union Territory Governments for Development	28,22,05	—9,90,46	18,31,59
	137. Capital Outlay on Roads	2,50,00	..	2,50,00
	143. Other Capital Outlay of the Ministry of Works, Housing and Rehabilitation	82,70	—26,68	56,02
	TOTAL—CAPITAL OUTLAY ON GRANTS, ETC.	31,54,75	—10,17,14	21,37,61

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Amount: Recoveries taken in reduction of expenditure in the Budget	Amount: Net expenditure shown in the Budget
127. Capital Outlay on payments of Compensation and rehabilitation grants to Displaced persons.	143. Other Capital Outlay of the Ministry of Works, Housing and Rehabilitation	2,40,30	-7,56,46	-5,16,16
128. Transfer of Development Assistance from the Govt. of U.S.A.	121. Other Capital Outlay of the Ministry of Finance	1,73,00,00	..	1,73,00,00
	127. Capital Outlay of the Ministry of Health . .	1,78,35	..	1,78,35
	136. Capital Outlay of the Ministry of Steel, Mines and Heavy Engineering . .	5	..	5
	TOTAL—TRANSFER OF DEVELOPMENT ASSISTANCE, ETC. .	1,74,78,40	..	1,74,78,40
129. Payments under Indus Waters Treaty	133. Other Capital Outlay of the Ministry of Irrigation and Power . . .	8,28,90	-2,20,99	6,07,91
130. Defence Capital Outlay	113. Defence Capital Outlay .	1,41,10,00	-5,00,00	1,36,10,00
134. Capital Outlay on Posts and Telegraphs	145. Capital Outlay on Posts and Telegraphs . . (Not met from Revenue)	42,04,00	—21,45,00	20,59,00
TOTAL—CAPITAL ACCOUNT NOT MET FROM REVENUE .		11,00,18,29	-3,82,70,47	7,17,47,82
Add—Railway Capital as shown in Railway Budget . .		2,53,00,00	..	2,53,00,00
	TOTAL—CAPITAL	13,53,18,29	-3,82,70,47	9,70,47,82
Statement of Capital Disbursements of the Central Government.				
P. Loans and Advances by the Central Government—				
Advances to State Governments . . . 6,05,80,33 Other Loans and Advances 2,54,12,76 8,59,93,09	123. Loans and Advances by the Central Government .	8,59,93,09	-32,10,64	8,27,82,45
Public Debt				
A. Debt raised in India— I. Rupee Debt . 1,92,35,00 II. Floating Debt . 58,81,62,86	Repayment of Debt	61,41,23,70	..	61,41,23,70
B.—Debt raised outside India . . 67,25,63				
C. Inter-State Settlement 21				

ANNEXURE XII

Statement showing the distribution of Civil and Posts and Telegraphs Expenditure met from revenue under broad categories

(In lakhs of Rs.)

	Accounts, 1962-63	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
PART I—CIVIL				
1. SALARIES AND ALLOWANCES (*VIDE* DETAILS BELOW)	1,02,14	1,21,15	1,15,94	1,42,57
2. CONTINGENCIES	40,02	43,65	42,37	43,65
3. INTEREST CHARGES	2,45,43	2,80,24	2,82,15	3,18,45
4. PENSIONS INCLUDING PRIVY PURSES	10,88	10,85	11,47	11,35
5. GRANTS-IN-AID AND CONTRIBUTIONS:				
(*a*) TO STATE AND UNION TERITORY GOVERNMENTS	2,10,30	2,21,80	2,43,08	2,95,76
(*b*) TO OTHERS	85,20	96,37	1,00,59	1,15,67
6. STATES' SHARE OF UNION EXCISE DUTIES	1,24,91	1,28,07	1,35,99	1,40,98
7. PUBLIC WORKS INCLUDING ROADS	50,81	46,56	49,03	46,20
8. EXPENDITURE ON DISPLACED PERSONS OTHER THAN GRANTS TO STATES	9,54	8,41	11,77	8,46
9. OTHER EXPENDITURE	2,42,74	2,63,60	2,26,08	2,87,39
TOTAL	11,21,27	12,20,70	12,18,47	14,10,48

DETAILS OF SALARY AND ALLOWANCES

(*i*) PAY OF OFFICERS	18,27	23,18	22,37	24,19
(*ii*) PAY OF ESTABLISHMENTS	58,85	65,70	64,09	72,33
(*iii*) ALLOWANCES AND HONORARIA:				
(*a*) TRAVELLING ALLOWANCE	5,04	6,01	6,07	6,17
(*b*) DEARNESS ALLOWANCE	8,72	9,48	9,68	23,01*
(*c*) OTHER ALLOWANCES	11,26	16,78	13,73	16,87
TOTAL ALLOWANCES	25,02	32,27	29,48	46,05
TOTAL—SALARY AND ALLOWANCES	1,02,14	1,21,15	1,15,94	1,42,57

*Includes a lump provision of Rs. 10 crores for increase in Dearness Allowance to all Civil employees including those paid from contingencies.

PART II—POSTS AND TELEGRAPHS

	Accounts, 1962-63	Budget, 1963-64	Revised, 1963-64	Budget, 1964-65
1. SALARIES AND ALLOWANCES (*VIDE* DETAILS BELOW)	55,00	57,98	59,33	67,38
2. CONTINGENCIES	5,70	5,85	6,74	7,26
3. PENSIONS INCLUDING PRIVY PURSES	3,29	3,25	3,27	3,59
4. GRANTS-IN-AID AND CONTRIBUTIONS TO OTHERS	7	7	7	7
5. OTHER EXPENDITURE	41,77	48,49	53,52	57,58
TOTAL	1,05,83	1,15,64	1,22,93	1,35,88

DETAILS OF SALARIES AND ALLOWANCES

(*i*) PAY OF OFFICERS	1,54	1,73	1,75	1,94
(*ii*) PAY OF ESTABLISHMENTS	34,33	36,93	37,09	40,39
(*iii*) ALLOWANCES AND HONORARIA :				
(*a*) TRAVELLING ALLOWANCE	83	75	1,00	1,15
(*b*) DEARNESS ALLOWANCE	6,14	6,11	5,63	8,28*
(*c*) OTHER ALLOWANCES	12,16	12,46	13,86	15,62
TOTAL ALLOWANCES	19,13	19,32	20,49	25,05
TOTAL—SALARY AND ALLOWANCES	55,00	57,98	59,33	67,38

NOTE.—Dearness and other allowances of staff paid from Contingencies are included in Contingencies.

*Includes a lump provision of Rs. 2·11 crores on account of increase in Dearness Allowance to all employees of the Posts and Telegraphs Department including those paid from Contingencies.

ANNEXURE XIII

Special Development Fund and other Foreign Assistance

The Special Development Fund was set up in October, 1951, from the sale proceeds of American Loan Wheat and wheat obtained from Commonwealth countries under the Colombo Plan. Later on, other assistance under the Colombo Plan; the assistance received under the Indo-U.S. Technical Co-operation Agreements ; the assistance from Norway for the development of the fisheries community ; the sale proceeds of American Loan Commodities and the Assistance under U. S. Public Law 480 were also brought into the Fund. The sale proceeds of the assistance in the form of grants or loans as the case may be are transferred to the S.D.F., after making specific provision for the purpose in the expenditure estimates in the Revenue Section for Grants and in the Capital Section, for loans and Sale proceeds. The expenditure which is intended to be met from the assistance, etc. is incurred in the usual manner, *i.e.*, adjusted under the prescribed heads of account and simultaneously shown as recovered from the S.D.F. The repayments of loans met out of the Fund are also credited to it. Thus it brings together and reflects at one place the assistance received from various foreign sources as also its utilisation. The statement below gives the details of the transactions of the Fund. The balances outstanding under the Fund represent mainly the pending adjustments which have to be carried out in the accounts.

(In lakhs of Rupees)

Sub-Major Heads	Opening Balance as on 1-4-62	Actuals, 1962-63		Revised, 1963-64		Budget, 1964-65		Closing Balance as on 31-3-65
		Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	
1	2	3	4	5	6	7	8	9
1. Fund from the sale proceeds of American Loan Whaet . . .	9,92	8,57	12,25	11,97	18,21	9,90	9,90	..
2. Fund from the sale proceeds of wheat received under the Colombo Plan . . .	25,21	1,81	*	2,41	..	1,70	..	31,13
3. Fund from other assistance under the Colombo Plan . . .	40,91	4,74	48	6,94	6,35	6,58	2,53	49,81
4. Fund from assistance under the Indo-U.S. Technical Co-operation Agreement Programme .	23,70	7,04	26,17	1,75	59	1,72	71	6,74

5. Fund from assistance from Norway for Fisheries Community Development . . .	..		18	18	20	20	22	22	..
6. Fund from the sale proceeds of American Loan commodities . .	45,26	(—)	2,14	15,46	2,85	2,81	1,81	1,75	27,76
7. Fund om assistance under Public L 480 .	1,23,29		1,35,83	23,80	1,29,00	23,20	3,13,00	22,17	6,31,95
TOTAL . .	2,68,29		1,56,03	78,34	1,55,12	51,36	3,34,93	37,28	7,47,39

£Less than Rs. 50,000.

Fund from the sale proceeds of American Loan Wheat.

The net cash realised by the sale of American Loan wheat was credited to this head. The transactions represent the loans advanced to State Governments out of the Fund for approved development schemes and repayment thereof.

Fund from the sale proceeds of wheat received under the Colombo Plan.

The net sale proceeds of gift wheat received under the Colombo Plan from Canada and Australia are credited to this head. The Fund was utilised for grant of loans to West Bengal and Mysore for the Mayurakshi and Tungabhadra Projects respectively, and also for construction of grain storage godowns at Calcutta. A further gift of Rs. 66 lakhs worth of wheat is expected during the current year.

Fund from other assistance under the Colombo Plan.

The assistance received from Commonwealth countries under the Colombo Plan in the form of equipment, materials, etc. other than wheat is accounted for under this head. Provision has been made next year for receipt of raw materials for industry, equipment for dairy research, news-print, equipment for College of Engineering, Delhi, Paper for Text Books, etc. Provision has also been made for receipt of cash grant from New Zealand for dairy development schemes and for receipts on account of repayment of loans by State Governments.

The Material and equipment received are either utilised on Central Government projects or are given to State Governments as loans and grants. In certain cases these are sold and the cash realised is utilised for financing the development plans.

The table below indicates the country-wise details of the assistance expected to be received during the current and the next year under the Colombo Plan:—

(In lakhs of rupees)

		B.E. 1963-64	R.E. 1963-64	B.E. 1964-65
Australia	Milk Scheme	5	..	..
	Paper for Text Books	..	83	30
	Precision Instruments Factory, Lucknow	..	..	1
	Dairy Development and cattle colony	..	5	12
	Cobalide electrodes for Neyveli Lignite Projects	..	2	2
	Establishment of Phytotron	5	..	..
	Others	1	1	2
Canada	Raw Materials	350	490	520
	Cobalt Beam Therpay Units	2	2	2
	Medical Books	1	1	..
	News Print	25	22	..
	Canada India Reactor	37	36	..
	Strengthening of Aerial Unit Beaver	..	..	12
New Zealand	Dairy & other Milk Schemes	6	6	17
	National Dairy Research Institute	..	..	8
U.K.	Tractor Testing Equipment	..	1	1
	College of Engineering	10	10	20
	Delhi Polytechnic	1	..	..
	C.S.I.R.	5	2	1
	TOTAL	448	661	628

Fund from assistance under the Indo-U.S. Technical Co-operation Agreement Programme.

The estimated costs of the materials and equipment received under the various Agreements with the Technical Co-operation Mission are credited to this head by debit to the head '124—Capital Outlay on Schemes of Government Trading'. As soon as the materials and equipments are made over to the State Governments, either as loans or as grants-in-aid, the capital head is relieved by *per contra* debit to the final head, which is simultaneously cleared by debit to the Fund. Similarly, in the case of schemes run by the Central Government, the debit for the equipment, etc. is adjusted against the head concerned by *per contra* credit to the head mentioned above, the debit being simultaneously cleared by recovery from the Fund. The repayment of loans by the States is credited direct to the Fund for subsequent utilisation on agreed development schemes. Provision has been made next year for the receipt of material and equipment for the dairy development schemes, crop production and development, land reclamation, Secondary and Technical Education, etc. Credits for the repayments of the loans by the State Governments have also been assumed.

Fund from assistance from Norway for Fisheries Community Development.

This head records the assistance received from the Government of Norway for fisheries community development in Kerala. The project was until last year managed by the State Government and the equipment received from Norway was given to that Government as grant-in-aid. The project has from the current year been taken over by the Central Government.

Fund from the sale proceeds of American Loan Commodities.

The agreements entered into with the Government of U.S.A. through the Technical Co-operation Mission in March, 1955, July, 1956 and June, 1957 provide for the supply of certain commodities like wheat, cotton, fertilizers, iron and steel, equipment for rural electrification, storage godowns, tube-well casing, equipment for malaria control, etc.

The surplus agricultural commodities, viz., wheat, cotton, etc., are paid for in rupees into the U.S. Government Title Account in India and agreed sums are later paid back by the U.S.A. Government, partly as loan and partly as grant to the Government of India. The loan received from the U.S.A. Government is taken to the head "Public Debt" and grant is credited to Revenue. In both cases equivalent amounts are credited to the Special Development Fund by *per contra* debit to the head "128" in the case of loans and to "77—Extraordinary Charges" in the case of grants. The balance in the Fund is utilised for expenditure on agreed projects.

In the case of other commodities the invoice value of the equipment received on loan account is debited to the head "124—Capital Outlay on Schemes of Government Trading" by *per contra* credit to "Public Debt". As and when the equipment is utilised on central projects or transferred to State Governments as loan or grant, as the case may be, the invoice price is credited to this head by per contra debit to "128—Transfer of Development Assistance from the Government of U.S.A.". The estimates include provision for transfer of Rs. 2·83 crores during the current year and Rs. 1·78 crores next year.

Fund from assistance under Public Law 480.

The first Agricultural Commodities Agreement between the Governments of U.S.A. and India under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) was signed in August 1956. Seven subsequent agreements were signed in June, 1958, September, 1958, November, 1959, May, 1960, May, 1962 and November 1962 (Two Agreements) respectively. Under these agreements certain surplus agricultural commodities like wheat, rice, maize, milo, cotton, tobacco and dairy products are imported from U.S.A. and the rupee equivalent of the cost is paid to the U.S. Government in India. A major portion of the rupees is later made available to the Government of India partly as loan and partly as grant for being utilised upon agreed projects or schemes. Current Budget assumed a credit of Rs. 105 crores—Rs. 60 crores as loan and the balance as grant. The receipts during the current year are now estimated at Rs. 129 crores of which Rs. 65 crores would be loans and the balance grant. A sum of Rs. 313 crores is expected to be received next year from Government of U.S.A. on this account following the change over from the reimbursement system to the advance system of drawal of P.L. 480 assistance. Of this Rs. 173 crores will be received as loan and the balance as grant.

Some of the projects which are being financed under this programme are Refinance Corporation, Industrial Credit and Investment Corporation, Indian Investment Centre and establishment of Regional Engineering Colleges. In certain cases grants are given, *e.g.*, Indian Investment Centre, Indian Institute of Technology, Establishment of Regional Engineering Colleges while in others loans are advanced from these funds.

OTHER ASSISTANCE

Foreign assistance is also received from international philanthropic organisations like the Rockfeller Foundation and the Ford Foundation for schemes in the field of education, public health, agriculture, social uplift, etc. These transactions are not passed through the Special Development Fund. During the current year a sum of Rs. 59·76 lakhs has been received from the Ford Foundation. Next Budget provides for a further assistance of Rs. 25 lakhs from this source.

Assistance is also received from certain specialised agencies of the United Nations Organisations such as United Nations Technical Assistance administration, United Nations International Children's Emergency Fund, Food and Agricultural Organisation, etc. Some materials and equipment are also received as gift from U.S.S.R. and West Germany.

The total assistance from the various countries and International agencies by way of loans and grants was estimated at Rs. 515·19 crores in the current year's budget. This is now expected to amount to Rs. 575·16 crores during the current year and Rs. 844·54 crores during the next year. Of this, Rs. 72·67 crores this year and Rs. 147·57 crores next year are estimated to be received as grants and the balance of Rs. 502·49 crores this year and Rs. 696·97 crores next year as loans.

ANNEXURE XIV

FOREIGN LOANS

This Annexure gives a brief description of the various foreign loans received from friendly foreign countries and international organisations. Two statements, one showing the amount of loans authorised and the sums drawn against them and the other, showing the repayments in respect of each loan are added at the end. Estimates of outstanding balances are shown in Statement VI in Section III.

I. Loans from the United States of America

(a) *American Wheat Loan.*—A loan of $-190 million was granted by the United States Government in June 1951 for the purchase of Wheat. The loan carries interest at 2½ per cent per annum and is repayable in 60 semi-annual instalments beginning from June 30, 1957. The Government of the U.S.A., have however agreed to the postponement of the repayment of principal and payment of interest due from 31st December, 1958 to June 30, 1967.

(b) *Development Assistance Loans.*—Under the agreements signed with the Government of the United States of America in 1955, 1956 and 1957 loan assistance of $ 45 million (Rs. 21·43 crores), $ 37·5 million (Rs. 17.86 crores) and $47:5 million (Rs. 22:62 crores) respectively has been made available to the Government of India for purchase of material and equipment like Railway rolling stock, steel, fertilizers tubewell casings, etc. and surplus agricultural commodities like wheat and cotton. These loans are repayable in 73 half-yearly instalments beginning four years after the end of the month in which the first disbursement is made against each loan, except in the case of the 1955 loan where the first instalment of repayment fell due on 31st March, 1959. The rate of interest is 3 per cent if paid in U.S. Dollars and 4 per cent if paid in Indian currency. The Government of India have chosen the second alternative. All the three loans have been drawn in full by 1961-62.

Provision of Rs. 24 lakhs and Rs. 28 lakhs in the Revised and the next budget respectively has also been made for repayment of these loans.

(c) *Loans from Development Loan Fund (now Agency for International Development).*—This Fund was established by the United States Government in 1957 for advancing long term loans for developing the economies and increasing the productive capacity of friendly countries. These loans can be repaid in local currency at the borrowers' option. The rates of interest on these loans vary from 3½ per cent to 5¾ per cent. The loans are repayable in successive semi-annual instalments varying from 9 to 40.

With effect from 4th November, 1961, the Development Loan Fund was absorbed into the newly created Agency for International Development (AID) which is intended to help in the objective of long range self sustained economic growth of less developed nations. The loans from the Agency are repayable in dollars over a period of 30 years commencing from the 11th year of the drawal of the loan. No interest is charged but a credit fee of ¾ of 1 per cent on outstanding amounts is payable in dollars at half yearly intervals.

The total authorised loan from D.L.F. and A.I.D. so far amount to $1196·70 million (Rs. 569·86 crores approximately) against which loans amounting to Rs. 230·72 crores were drawn to end of 1962-63, while Rs. 139.75 crores are expected to be drawn during the current year and Rs. 106·13 crores next year. Provision has also been made for the repayment of Rs. 8·84 crores this year and Rs. 10·54 crores next year on the basis of loans drawn so far.

(d) *Loan from the U.S. President's Asian Economic Development Fund.*—Under an agreement entered into on 30th June, 1958, the Government of U.S.A. agreed to provide a loan of $ 20 million from the U.S. President's Asian Economic Development Fund for the development of the Iron Ore Mines in Orissa. The loan carries interest at 3½ per cent per annum from the end of the month in which the first disbursement is made. The principal is repayable in 31 half-yearly instalments beginning three years after the end of the month in which the first disbursement is made. The revised estimates and the next budget assume credits of Rs. 1·76 crores and Rs. 1·44 crores on this account. Provision has also been made for the repayment of Rs. 19 lakhs next year.

(e) *Loan under P.L.* 480.—Under Title 1 of U.S. Government Agricultural Trade Development and Assistance Act of 1954 (commonly known as P.L. 480) the Government of U.S.A. have entered into eight separate agreements with the Government of India for supply to India of surplus agricultural commodities like wheat, rice, cotton, tobacco, etc. worth Rs. 1161:25 crores against payment in Rupees. The U.S. Government also bears the freight differential resulting from the requirement that 50 per cent of the cargo should be transported in U.S. Flag Vessels for which the freight rate is higher.

The Rupee equivalent of the dollar cost of these commodities, plus 50 per cent of the ocean freight in respect of cargo shipped in U.S. Flag Vessels, is deposited in the U.S. Government Title Account in India. Out of the rupee accruals a sum not exceeding Rs. 558.90 crores would be made available as loan to the Government of India. Loan agreements amounting to Rs. 518·07 crores have so far been signed. The agreements provide for repayment of principal in 40 years. Interest in payable at rates varying from 3½ to 5 per cent. The current year's budget provided for a drawal of Rs. 60 crores against this loan, but the receipts are now estimated at Rs. 65 crores. At present the loans are drawn in reimbursement of the expenditure actually incurred. From 1st April, 1964, the pattern of drawal will be changed and the loans will be made available on advance basis as soon as the schemes to be financed are agreed on. Consequently, next year's budget provides for a receipt of Rs. 173 crores on this account. A provision of Rs. 6 lakhs has been made in the revised estimates of the current year and Rs. 12 lakhs in the next year's budget for repayment of the loan.

II. Loans from U.S. Eximbank

The Export-Import Bank of Washington has so far extended credits for a total amount of $ 244 million (Rs. 116·9 crores approximately) to the Government of India for assisting in the financing of Imports from U.S.A. of capital equipment and related spares and services in connection with the programme of economic development in India. The Bank has also authorised two loans amounting to $14.3 million (Rs. 6.82 crores approximately) jointly with the Boeing Airplane Company tofinance the purchase

of three Boeing 707 aircraft by the Air India. Rs. 86·75 crores have already been drawn to end of 1962-63. The loans carry interest at rates varying from 5¼ per cent per annum to 5½ per cent per annum and are repayable in 14 semi annual instalments in the case of loan for Boeing Aircrafts and 20 to 24 semi annual instalments in other cases, commencing after an initial period of moratorium extending upto five years. Provision has been made in the estimates for drawal of Rs. 18·84 crores this year and Rs. 12·43 crores next year. The estimates also include provision for the repayment of Rs. 4·55 crores this year and Rs. 8·12 crores next year.

III. Loans from U.S.S.R.

(a) *Loan for the Bhilai Steel Plant.*—An agreement with the Soviet Government was concluded on 2nd February, 1955 for the establishment of an integrated Iron and Steel Works at Bhilai for which the Soviet Government provided equipment on credit. The credit is to be repaid in 12 equal annual instalments payable on 15th March of each year following the year in which such credit is raised. The rate of interest is 2½% per annum and interest accrues from the date on which each particular credit is raised and is to be paid on or before 15th of March of the following year. The credit was fully utilised by 1961-62.

A sum of Rs. 32·92 crores has been repaid upto 1962-63 including the amount due for repayment during the current year but prepaid last year. Provision has been made for repayment during the current year of Rs. 5·4 crores representing the instalment due in 1964-65. No provision has accordingly been included for the repayment of the loan next year.

(b) Under 5 other agreements further credits have been provided by the Soviet Government for various purposes indicated below:—

	Date of Agreement	Amount of Credit	Purpose
1.	9-11-1957	500 million Roubles (Old) (Rs. 59·53 crores)	Industrial enterprises in India (establishment of heavy machine building plant, a special glass factory, coal mining machinery plant, a thermal power station based on lignite, etc.)
2.	29-5-1959	80 million Roubles (Old) (Rs. 9·52 crores)	Establishment of enterprises for the manufacture of drugs, medicines and surgical instruments.
3.	28-9-1959	100 million Roubles (Old) (Rs. 11·91 crores)	Construction of petroleum refinery at Barauni in Bihar State.
4.	12-9-1959	1500 million Roubles (Old) (Rs. 178·58 crores)	Expansion of Bhilai Steel Works; Heavy Machinery Plant; Expansion and diversification of the Mining Machinery Plant; Completion of the Barauni Refinery, Manufacture of Heavy Electric Equipment; Manufacture of Precision Instruments; Exploration, development and production of oil and gas; Expansion of the capacity of the Neyveli Power Plant; Expansion of the Korba Thermal Power Station and Establishment of a Thermal Power Station at Singrauli.

Date of Agreement	Amount of Credit	Purpose
5. 21-2-1961 . . .	112·5 million Roubles (New) (Rs. 59·5 3 crores)	Bhakra right bank Hydro-electric Power Station; Oil Refinery in Gujarat including Thermal Power Plant; Coal Washery at Kathara (Bihar); Refractories Plant; Exploration, development and production of oil by Oil and Natural Gas Commission in Cambay, Ankleshwar and other areas; Production of pumps and compressors—Preparation of Techno-economic Report.

The credits in all cases carry interest at the rate of 2½% per annum and are repayable, except under item 2 above, in 12 annual equal instalments, the first such payment falling due a year after completion of the delivery of machinery and equipment for each enterprise. The credit under item 2 is repayable in 7 annual instalments. Necessary credits as shown in the statement amounting to Rs. 55·89 crores in the Revised and Rs. 62·02 crores in Budget have been assumed. Provision for repayment of Rs. 2·46 crores in the current year and Rs. 2·11 crores next year have been included in the estimates.

Credit of Rs. 27·11 crores in revised and Rs. 19·61 crores next year has also been assumed in respect of credits for miscellaneous stores received on deferred payment basis.

Provision for repayment of Rs. 6·24 crores in the current year and Rs. 11·27 crores next year have been included in the estimates on this account.

IV. **Loans from the United Kingdom**

(i) *Credit for Durgapur Steel Plant.*—For the purpose of assisting the Government of India in financing the sterling portion of the contract to the Indian Steel Works Construction Co., Limited for the construction of the Steel Works at Durgapur, an Agreement was entered into on the 5th January, 1957 with M/s. Lazard Brothers and Co., Ltd., for a credit of £11·5 million (Rs. 15·33 crores). The credit is repayable in five semi-annual instalments beginning on 1st January, 1962 and carries interest at 1 per cent above the U.K. Bank rate, with a minimum of 4½ per cent. per annum. An additional credit of £ 15 million (Rs. 20 crores) has also been afforded by the U.K. Export Credit Guarantee Department for meeting the payments to the Suppliers of equipment for the Steel Plant. The loan is repayable in four equal annual instalments commencing from 1st July, 1966 and carries interest at the rate equal to that of similar loans for comparable period from the U.K. Consolidated Fund plus 1/8 of one per cent.

(ii) *Other Credits.*—(a) Apart from the credit for the Durgapur Steel Plant, the Government of U.K. have also extended assistance for the establishment of several capital projects such as Heavy Electricals Plant, Nahorkatiya Oil Pipe Project, Nahorkatiya Fertilizers Plant, Security Paper Mill, Hindustan Cables, etc. A substantial part of the assistance by the U.K. Government has also been in the form of assistance for the import of a variety of machinery and components required for Engineering, electrical, chemical and textile industries. Except for Nahorkatiya Oil Pipe Line in which case the loan is repayable in six half-yearly instalments commencing from 30th June, 1964, the other credits are repayable over a period of 20—25 years with an initial period moratorium varying from 5 to 7 years.

(b) During the current year two more credit for £3·5 million, £4 million (Rs. 5·33 crores) has been extended to meet the special import and variety of machinery have been made available. A third credit of £4 million ((Rs. 5·33 crores) has been extended to meet the special import requirements of the British Oriented industries in India. The credit is for 25 years and is repayable in equal semi-annual instalments with a moratorium of 7-8 years.

Details of the amount authorised under various loans already agreed to and the drawals there against are shown in the Statement appended.

Receipts against the various loans during the current year and next year are estimated at Rs. 61·40 crores and Rs. 21·15 crores respectively—Provision has also been made for repayment of Rs. 7:33 crores in the current year and Rs. 5·56 crores next year.

V. **Loans from Canada**

(a) *Wheat Loans.*—Under agreement signed on the 20th February, 1958, and 22nd October, 1958 the Government of Canada have provided credits upto $ (C) 33·8 million (Rs. 15·71 crores approximately) for the purchase of Canadian Wheat and flour. The loans are repayable in seven equal annual instalments in Canadian dollars and bear interest at 4¼ per cent per annum. The estimates included repayment of Rs. 3·89 crores during the current year and Rs. 2·24 crores next year.

(b) *Export Credits.*—The Government of Canada has authorised long term export credits of Canadian $25 million to finance import of capital goods from Canada under the provisions of their Export Credits Insurance Act, which will be utilized in implementing projects in the public and private sectors. The loans are repayable in Canadian dollars over a period of 15 to 20 years. The rate of interest is to be related to the prevailing current rate plus small charge to cover administrative and other expenses. The term of the credits will, however, be settled in detail for each contract separately. Provision has been made in the estimates for drawal of Rs. 40 lakhs this year and Rs. 2 crores next year.

(ii) *Candu Atomic Power Project.*—A loan of $37 million Canadian dollars has been granted by the Export Credit Insurance Corporation of Canada for covering the foreign exchange cost of equipment and Services for Candu Atomic Power Project. The loan is repayable in Canadian dollars over a period of about 15 years commencing from 1st November, 1969 and carries interest at the rate of 6% per annum. Provision has been made in the estimates for drawal of Rs. 30 lakhs this year and Rs. 2·30 crores next year.

Credit of Rs. 4·61 crores in revised and Rs. 83 lakhs in the next year has also been assumed in respect of credits for miscellaneous stores on deferred payment basis. Provision for repayment of Rs. 48 lakhs in the current year and Rs. 1·15 crores in the next year have been included in the estimates on this account.

VI. **Loans from the Federal Republic of Germany.**

An agreement providing for a credit of DM 660 million (Rs. 77·79 crores approximately) for the Rourkela Steel Plant was entered into in February 1958 with Federal Republic of Germany. The loan was repayable over a period of three years along with interest at 6% p.a. and an administrative charge of 0·3%. Further credits have however been

afforded by the Federal Republic of Germany for financing a part of the repayments falling due in respect of the Rourkela credit. In addition, credits have been afforded for financing purchase of capital goods, components, miscellaneous equipment, machinery and raw materials. The Rourkela Prolongation Credits carry interest at 5·5 to 5·7% and are repayable over a period of 12 to 13 years except in the case of the credit for DM 98·36 million agreed to in January, 1961 which is repayable after a period of 4 years. The other credits are repayable over a period of 20 years and carry interest at varying rates from 3 to 6¾%. Details of the amounts authorised under each of the Agreements entered into so far and drawals there against are given in the statement appended.

VII. **Loans from Japan.**

The Japanese Government have so far extended three credits for a total amount of 75·6 billion Yen (Rs. 98·11 crores) through the Japanese Export Import Bank. The loans are intended for purchase in Japan of equipment for railways, power projects, coal and iron ore mining and processing equipment, ports, machine tools, ships and other industrial machinery and components as may be agreed between the two Governments from time to time. The loans carry interest at varying rates from 5¾% to 6% and are repayable over a period of 10 to 15 years. Details of the amounts authorised under each of the loan agreements entered into so far, drawals there against and provisions made for repayments of the loans are given in the statement appended.

VIII. **Loans from Switzerland**

A credit agreement for 100 million Swiss Francs (Rs. 10·90 crores) was signed on the 30th July 1960 with the Government of Swiss Confederation, which has since been raised to 140 million Swiss Francs (Rs. 15·25 crores). The credit is available to meet 90 percent of the payments to suppliers in Switzerland for import of agreed items of capital goods and machinery from that country required for India's development programmes. The credit will be in three tranches of 60 million Swiss Francs, 50 million Swiss Francs and 30 million Swiss Francs and will be provided by a consortium of Swiss Banks. Each transfer credit is to be repaid within a period of 10 years from the date it is made use of. No repayment is required during the first three years and the credit is to be repaid in equal half yearly instalments over the remaining seven years. The rate of interest would be 3¾% above the official discount rate of the Swiss National Bank, which is at present 2%. A credit of Rs. 2 crores and Rs. 4 crores has been assumed in the current and next year's budget, respectively, on this account.

IX. **Loans from Czechoslovakia**

An agreement with the Government of Czechoslovakia was signed in November, 1959 for a credit of Rs. 23·1 crores to finance the purchase of machinery and equipment needed for third Stage of the Foundry Forge Plant, Heavy Machine Tools Building Plant, two Heavy Electrical Plants and such other Industrial Projects as may be mutually agreed upon. The credit carries interest at the rate of 2½ per cent per annum and is

repayable in eight annual instalments, the first instalment being payable one year after the completion of the delivery of machinery and equipment. A credit of Rs. 1 crore in the current and Rs. 4 crores in the next year's budget has been assumed on this account.

X. Loans from Yugoslavia

An Agreement was signed in January, 1960 with the Government of Yugoslavia for a credit of Rs. 19·05 crores. This credit is available for the purchase of ships and for import of capital goods and equipment for power projects to be mutually agreed upon. It bears an interest of 3 per cent per annum and is repayable in equal consecutive semi-annual instalments within such periods as may be specifically agreed upon in the case of each contract. The revised estimates and next year's budget assume credit of Rs. 50 lakhs and Rs. 3 crores respectively on this account.

Credit of Rs. 55 lakhs in revised and Rs. 1·66 crores in the next year has also been assumed in respect of credits for miscellaneous stores on deferred payment basis. Provision for repayment of Rs. 51 lakhs in next year's estimates has also been included on this account.

XI. Loans from Poland

(a) *First Credit for the Third Plan.*—An Agreement was signed in May, 1960 with the Government of the Polish People's Republic for a credit of Rs. 14·30 crores for import of Machinery and equipment for construction of industrial plants to be mutually agreed upon. The credit bears an interest of 2½ per cent per annum and is repayable in eight equal yearly instalments, the first instalment being payable one year after the completion of the supply of the machinery and equipment. A credit of Rs. 2·5 crores has been taken for the current year's revised estimates and Rs. 5 crores next year.

(b) *Second Credit for the Third Plant.*—An Agreement was signed in November, 1962 with the Government of the Polish Peoples' Republic for a credit of Rs. 15·5 crores to finance import of machinery equipment and services for coal mines and other industrial projects as may be mutually agreed upon. The credit bears an interest of 2½ per cent per annum and is repayable in 8 equal yearly instalments, the first instalment being repayable one year after the completion of the supply of the machinery and equipment.

A provision of Rs. 10 lakhs has been made in the revised estimates of the current year and Rs. 50 lakhs next year.

XII. Loans from Austria

Two agreements were signed in November, 1962 and December, 1963 with the Government of Austria for a credit of 130 million Austrian Shillings (Rs. 2·38 crores) and 100 million Austrian shillings (Rs. 1·83 crores), respectively, for purchase of Austrian goods. The credits are repayable in twenty equal and consecutive half yearly instalments and carry interest at rates varying from 5½ to 6% p.a. Receipts of Rs. 45 lakhs and Rs. 3·66 crores have been assumed in the current and next year's budget respectively on this account.

XIII. Loans from Kuwait.

Special Indian notes and Indian coins which were in circulation in Kuwait ceased to be legal tender with effect from 1st April, 1961 and were replaced by a new local currency known as 'Dinar' introduced from that date. According to the agreement signed on 20th March, 1961 with the Government of Kuwait, the Indian Currency exchanged by the Government of Kuwait and returned to the Reserve Bank of India has been transferred to the Government of India and the amount so transferred has been treated as a loan from the Government of Kuwait, to the Government of India repayable in Sterling. This loan amounting to Rs. 34·19 crores is to be repaid in eleven annual instalments, beginning from the 1st July, 1961. Interest at the rate of 4¾ per cent is payable on the outstanding balance from time to time.

A provision of Rs. 3·21 crores each has been made in the estimates for the current and next year for repayment of the loan.

XIV. Loans from Netherlands

An agreement was signed in May, 1963 with the Government of Netherlands for a credit of 100 million Dutch guilders (Rs. 12·15 crores) for purchase of capital goods. Out of this a sum of 35 million Dutch guilders (Rs. 4·60 crores) is to be in the form of suppliers credits while the balance of 65 million Dutch guilders (Rs. 8·55 crores) has been extended through Dutch Herstel bank. Under an agreement signed in November, 1963 the Herstel bank have made available a credit of 65 million Dutch guilders (Rs. 8·55 crores) for financing capital goods and services from Netherlands. The credit is repayable in nineteen consecutive annual instalments commencing from 1st April, 1971 and carries interest at 5¼ per cent. per annum. A sum of Rs. 50 lakhs and Rs. 3 crores respectively has been assumed in the current and next year's Budget on this account.

XV. Loans from Denmark

An agreement was signed in May, 1963 with the Government of Denmark for a credit of 15 million Danish Kroner (Rs. 1·03 crores) for purchase of Danish machinery and capital goods. The credit is repayable over a period of 12 years and carries interest at 5 per cent. per annum. A sum of Rs. 10 lakhs and Rs. 93 lakhs has been assumed in the current and next year's budget respectively, on this account.

XVI. Credits from France

XVII. Credit from Belgium

The Government of France and Belgium have extended export credits totalling $ 70 million (Rs. 33·33 crores) and $ 20 million (Rs. 9·52 crores) respectively for import of capital goods. The credit facilities take the form of suppliers' credit on deferred payment basis. 1 per cent. per annum of the F.O.B. value of the contract in the case of French credit and about 15 per cent. in the case of Belgian credit are payable in the first instance and the balance is repayable over a period

of 10 years after shipment. The rate of interest on these loans varies between 5 per cent.—6¾ per cent. per annum. These credits are extended by suppliers to Indian importers, both in the public and private sectors. According to present indication a sum of Rs. 2·39 crores under the French credit and Rs. 1·37 crores under the Belgian credit will pass through Government account. A sum of Rs. 1·28 crores under the French credit and Rs. 80 lakhs under Belgian credit has been assumed in Budget estimates of next year.

XVIII. Loan from the Government of New Zealand for the purchase of wool

A loan agreement for £2,50,000 (Rs. 33 lakhs approximately) was entered into with the Government of New Zealand in February, 1963. Under the agreement the cost of wool purchased in New Zealand to the extent of £ 2,50,000 will be reimbursed to the Government of India and will be treated as a loan. The loan is repayable in five equal instalments, the first of such instalments being payable on the first anniversary of the date of drawal. No interest is payable by the Government of India on the loan for the first two years but interest will be payable from the second anniversary of the drawal at the rate of 5 per cent. per annum on the balance of the loan outstanding from time to time. All payments of interest and repayments of principal are to be made in pound sterling. A credit of Rs. 33 lakhs has been assumed in the R.E. for the current year and a provision of Rs. 7 lakhs has also been made in the B.E. for 1964-65 for repayment of the loan.

XIX. Loan from the Federation of Rhodesia and Nyasaland

Credit of Rs. 1·33 crores has been assumed in the Revised Estimates in respect of credits for miscellaneous stores received on deferred payment basis. Provision for repayment of Rs. 27 lakhs each has also been included in the revised and next year's estimates.

XX. Loans from the International Bank for Reconstruction and Development.

The I.B.R.D. has been granting loans for various development projects in India since 1949. The aggregate value of the loans to the Central Government direct is Rs. 232·35 crores and comprise six separate loans for the Railways aggregating Rs. 179·91 crores, three loans for the D.V.C. totalling Rs. 23·44 crores and one of Rs. 3·90 crores for the Koyna Project in Maharashtra State and one of Rs. 16·67 crores for development of private Collieries (Coal Industry). The Agricultural Machinery Project Loan of Rs. 3·43 crores has since been completely repaid. A major portion of the first loan for the Railways has also been repaid. The period of loan varies from 10 to 25 years generally. The rate of interest for these loans varies from 4 to 6 per cent per annum. Anticipated receipts against the various existing loans during the current year and the next year have been taken at Rs. 7·03 crores and Rs. 6·21 crores respectively. Provision has also been made for repayment to the Bank of Rs. 8·57 crores and Rs. 8·92 crores respectively during the current and the next year.

XXI. Loans from the International Development Association.

The International Development Association, an affiliate of I.B.R.D., has been providing capital to developing countries on terms which are more flexible and bear less heavily on their balance of payments position. It has, upto the end of November, 1963 extended credits to the Government of India totalling Rs. 142·84 crores for various capital projects such as construction of National Highways, Irrigation and Power Projects including those for the D.V.C. and Koyna Project, Drainage Project, Development of Bombay Port, Development of Telecommunications and Railway Projects. The details of the loans already authorised are given in the statement appended. These credits are repayable in 80 semi-annual instalments, repayment commencing after a moratorium of 10 years. No interest charges are payable. A service charge of ¾ per cent. per annum is, however, levied on the outstanding balances to meet the Association's administrative expenses. Revised estimates of the current year and budget estimates of the next year assume credit of Rs. 62·23 crores and Rs. 26·08 crores respectively on account of these credits.

XXII. New Credits.

In addition to the various loans mentioned above, some other loans are likely to be authorised during the current and next year for which credits of Rs. 7·52 crores in the revised estimates, 1963-64 and Rs. 1,85·37 crores in the budget estimates for 1964-65 have been assumed.

FOREIGN LOANS

Statement of Receipts

(In lakhs of rupees)

Details of Loan	Amount of Loan authorised	Actuals upto 1955-56	Actuals from 1956-57 to 1960-61	Actuals 1961-62	Actuals 1962-63	Budget 1963-64	Revised 1963-64	Budget 1964-65
1	2	3	4	5	6	7	8	9
(A)— COUNTRIES :								
I—Loans from U.S.A. :								
(*i*) American Wheat Loans	90,31	90,31	..	..	..	..	..	..
(*ii*) Development Assistance Loans	61,91	2,29	55,73	3,89	..	..	..	..
(*iii*) Development Loan Fund [Now A.I.D. Loans]	5,69,86	..	76,88	31,34	1,22,50	1,02,00	1,39,75	1,06,13
(*iv*) Asian Economic Development Fund Loan	9,02	..	2	1,98	3,48	2,34	1,76	1,44
(*v*) P. L. 480	5,18,07	..	77,88	54,71	79,72	60,00	65,00	1,73,00
TOTAL	12,49,17	92,60	2,10,51	91,92	2,05,70	1,64,34	2,06,51	2,80,57
II—U.S. Export Import Bank Loan								
(*i*) First Loan	71,43	..	28,14	25,18	16,49	11	1,63	..
(*i*) Second Loan	23,81	..	..	..	10,26	8,00	10,58	2,97
(*iii*) Third Loan	11,90	..	..	..	..	5,00	5,74	6,16
(*iv*) Credit for Diesel Loco Works, Varanasi	9,05	..	..	..	..	..	75	3,30
(*v*) Loans to Air India								
(*a*) First Loan	2,29	..	..	2,24	5	..	..	..
(*b*) Second Loan	4,53	..	..	2,17	2,22	..	14	..
TOTAL	1,23,01	..	28,14	29,59	29,02	13,11	18,84	12,43

1	2	3	4	5	6	7	8	9
III—Loans from U.S.S.R.								
(*i*) Bhilai Loan	64,74	...	64,73	1	...	...	...	...
(*ii*) Industrial Enterprises	59,53	...	8,08	13,43	9,75	9,75	6,25	9,00
(*iii*) Drugs Credit	9,52	...	...	37	78	3,00	5,35	3,02
(*iv*) Barauni Credit	11,91	...	43	70	7,51	1,68	3,24	...
(*v*) First Credit for Third Plan	1,78,58	...	1,80	9,87	13,76	41,50	38,30	40,00
(*vi*) Second Credit for Third Plan	59,53	...	...	...	55	4,50	2,75	10,00
(*vii*) Miscellaneous Credits	..	..	..	..	..	..	27,11	19,61
TOTAL	3,83,81	...	75,04	24,38	32,35	60,43	83,00	81,63
IV—U.K. Credits								
(*a*) U.K. Government Loans :								
(*i*) Durgapur	20,00	...	20,00	...	...	...	...	...
(*ii*) Second E.C.G.D. Credit	38,00	...	38,00	...	...	...	...	...
(*iii*) U.K. India (Oil Pipe Line) Credit	4,00	...	3,19	75	3	1	3	...
(*iv*) U.K. India (General) Credit, 1959	25,33	...	25,33	...	...	...	...	...
(*v*) First U.K. India (General) Credit, 1960	13,33	...	13,33	...	...	...	...	...
(*vi*) Second U.K. India (General) Credit, 1960	6,67	...	6,67	...	...	...	...	...
(*vii*) First U.K. India (General) Credit, 1961	13,33	...	...	13,33	...	...	...	...
(*viii*) U.K. India (Five Year Plan) Credit, 1961	40,00	...	...	2,23	16,06	12,00	14,71	6,25
(*ix*) Second U.K.-India (General) Credit, 1961	6,67	...	...	6,67	...	...	...	...
(*x*) First U.K. India (General Credit), 1962	13,33	...	...	...	6,67	6,66	6,66	...

(*xi*) U.K. India (Durgapur Extension) Credit, 1962	29,33	...	...	...	6	8,00	12,00	7,00
(*xii*) Second U.K. India (General) Credit, 1962	6,67	...	...	...	6,67	...	...	...
(*xiii*) U.K. India (Five Year Plan) Credit, 1962	17,33	...	...	...	33	5,00	8,00	4,57
(*xiv*) U.K. India (Steel) Credit, 1963	4,67	...	...	...	...	...	4,67	...
(*xv*) U.K. India (General) Credit, 1963	13,33	...	...	...	...	...	13,33	...
(*xvi*) Kipping Loan	5,33	...	...	...	...	...	2,00	3,33
(*b*) Lazard Brothers	15,33	...	15,33	...	...	...	...	...
TOTAL	2,72,65	...	1,21,85	22,98	29,82	31,67	61,40	21,15
V.—Loan from Canada :								
(i) Wheat Loan	15,71	..	15,71	..	..	..	..	..
(ii) Credit for Third Plan	8,67	..	..	..	..	1,50	40	2,00
(iii) Credit for Candu Atomic Power Project	17,62	..	..	..	..	..	30	2,30
(iv) Miscellaneous Credit	..	..	..	..	..	..	4,61	83
TOTAL	42,00	..	15,71	..	..	1,50	5,31	5,13
VI.—Loans from Federal Republic of Germany :								
(*i*) Rourkela Credit	77,79	..	61,30	6,49	5,04	..	2,65	..
(*ii*) D. M. 168 million Credit	19,05	..	19,05	..	..	..	..	..
(*iii*) First D. M. 125·1 million Credit	14,18	..	14,18	..	..	..	..	..
(*iv*) Second D. M. 125·1 million Credit	14,18	..	14,18	..	..	..	..	..
(*v*) Rourkela Prolongation Credit (First)	11,16	..	..	11,16	..	..	..	..
(*vi*) Rourkela Prolongation Credit (Second)	27,38	..	..	27,38	..	..	..	..

1	2	3	4	5	6	7	8	9
(*vii*) D. M. 100 million Credit, 1961		11,90	..	..	11,90	..	..	..	..
(*viii*) D. M. 170 million Credit, 1961		20,24	..	..	20,24	..	..	..	..
(*ix*) Rourkela Prolongation Credit (Third)		10,12	..	..	..	10,12	..	..	..
(*x*) D. M. 100 million Credit, 1962		11,90	..	..	..	11,90	..	..	..
(*xi*) D. M. 264 million Credit, 1962		31,50	..	..	..	..	6,00	12,74	17,57
(*xii*) D. M. 400 million Credit for Rourkela Repayments		47,62	..	..	..	..	..	7,00	10,00
(*xiii*) D. M. 61·4 million Credit for Rourkela Refinancing		7,31	..	..	..	..	..	7,31	..
TOTAL		3,04,33	..	1,08,71	77,17	27,06	6,00	29,70	27,57
VII.—Loans from Japan :									
(*i*) First Yen Credit		21,92	..	14,93	5,41	1,36	52	23	..
(*ii*) Second Yen Credit		45,24	..	..	..	6,31	10,00	11,36	17,00
(*iii*) Third Yen Credit		30,95	..	..	..	..	..	..	6,00
TOTAL		98,11	..	14,93	5,41	7,67	10,52	11,59	23,00
VIII—Loans from Switzerland :									
Credit for Third Plan		15,25	..	..	..	23	4,00	2,00	4,00
IX.—Loans from Czechoslovakia :									
Credit for Third Plan		23,10	..	..	..	..	2,20	1,00	4,00

X—Loans from Yugoslavia								
(*i*) Credit for Third Plan	19,05	..	..	..	..	3,00	50	3,00
(*ii*) Miscellaneous Credits	..	..	..	..	..	..	55	1,66
TOTAL	19,05	..	..	..	..	3,00	1,05	4,66
XI—Loans from Poland :								
(*i*) First Credit for Third Plan	14,30	..	..	3	57	1,55	2,50	5,00
(*ii*) Second Credit for Third Plan	15,50	..	..	..	..	10	10	50
TOTAL	29,80	..	..	3	57	1,65	2,60	5,50
XII—Loans from Austria								
(*i*) First Credit for Third Plan	2,38	..	..	..	..	1,00	20	1,60
(*ii*) Second Credit for Third Plan	3,33	..	..	..	..	..	25	2,06
TOTAL	5,71	..	..	..	..	1,00	45	3,66
XIII—Loans form Kuwait Government	34,19	..	..	34,19	..	..	..	..
XIV—Loans from Netherlands :								
General Purpose Loan	8,55	..	..	..	..	..	50	3,00
XV—Loans from Denmark								
Credit for import of Capital Goods	1,03	..	..	..	..	..	10	93
XVI—Loans from France								
(*i*) Railways	1,39	..	..	..	..	..	..	78
(*ii*) Light Houses and lightships	1,00	..	..	..	..	..	..	50
TOTAL	2,39	..	..	..	..	..	..	1,28

1	2	3	4	5	6	7	8	9
XVII—*Loans from Belgium* :								
Credit for import of Capital Goods . . .	1,37	...	..	...	..	...	...	80
XVIII—*Loans from New Zealand*:								
Credit for purchase of wool	33	...	...	...	...	...	33	..
XIX—*Federation of Rhodesia and Nyasaland*:								
Miscellaneous Credit	...	...	...	...	...	...	1,33	...
B—INTERNATIONAL AGENCIES :								
XX—*I.B.R.D. Loans* :								
(i) Agricultural Machinery Project Loan . .	3,43	3,43	...	...	...	...	...	..
(ii) Railways Project Loan I	15,62	15,62	...	...	...	...	...	..
(iii) Railways Project Loan II	42,86	...	42,86	...	...	...	...	..
(iv) Railways Project Loan III	40,48	...	40,48	...	...	...	...	..
(v) Railways Project Loan IV	23,81	...	23,81	...	...	...	...	..
(vi) Railways Project Loan V	33,33	...	6,88	26,45	...	...	...	..
(vii) Railways Project Loan VI	23,81	...	...	1,24	22,57	..	...	..
(viii) D.V.C. I	7,96	7,96	...	...	...	...	...	...
(ix) D.V.C. II	5,00	1,96	3,04	...	...	...	...	...
(x) D.V.C. III	10,48	...	8,67	54	24	41	26	77
(xi) Koyna Project Loan (First Stage) .	8,90	...	4,35	1,17	1,28	1,55	1,11	1,00
(xii) Coal Industry	16,67	...	...	...	...	11,00	5,66	4,44
TOTAL	2,32,35	28,97	1,30,09	29,40	24,09	12,96	7,03	6,21

XXI—I.D.A. Credits								
(*i*) Roads Projects	28,57	..	..	1,23	3,71	12,00	11,00	5,00
(*ii*) U.P. Tube well Project	2,86	..	..	..	49	1,60	2,37	..
(*iii*) Shetruniji Irrigation Project	2,14	..	..	..	25	1,00	1,00	84
(*iv*) Salandi Irrigation Project	3,81	..	..	..	40	80	1,30	1,00
(*v*) Punjab Drainage Project	4,76	..	..	..	1,49	2,00	2,50	77
(*vi*) D.V.C. IV	8,81	..	..	..	..	1,25	24	1,80
(*vii*) Sone Irrigation Project	7,14	..	..	..	30	3,00	2,71	3,00
(*viii*) Purna Irrigation Project	6,19	..	..	..	1,32	1,00	1,00	2,00
(*ix*) Koyna Project (Second Stage)	8,33	..	..	..	..	2,00	2,50	2,50
(*x*) Bombay Port Project	8,57	..	..	..	1,02	1,38	2,28	2,50
(*xi*) Telecommunications Project	20,00	..	..	..	4	9,00	3,00	5,00
(*xii*) Railways Project Loan VII	32,14	..	..	..	..	..	32,14	..
(*xiii*) Kothagudem Power Project	9,52	..	..	..	..	..	19	1,62
TOTAL	1,42,84	..	..	1,23	9,02	35,03	62,23	26,08
XXII—New Credits	..	..	..	..	..	1,15,00	7,52	1,85,37
GRAND TOTAL	29,89,04	1,23,57	7,04,98	3,16,30	3,65,53	4,62,41	5,02,49	6,96,97

FOREIGN LOANS

Statement of repayments

(In lakhs of rupees)

Details of Loans	Actuals, upto 1955-56	Actuals, from 1956-57 to 1960-61	Actuals, 1961-62	Actuals, 1962-63	Budget 1963-64	Revised 1963-64	Budget 1964-65
1	2	3	4	5	6	7	8
A.—COUNTRIES							
I—Loans from U.S.A.:							
(*i*) American Wheat Loan	1,63	..	..	..	..	..	..
(*ii*) Development Asistance Loans	..	7	7	9	24	24	28
(*iii*) Development Loan Fund (Now A.I.D. Loans)	..	5,15	4,36	7,50	9,18	8,84	10,54
(*iv*) Asian Economic Development Fund Loan	..	..	..	..	..	..	19
(*v*) P.L.480	..	..	..	3	6	6	12
TOTAL	..	6,85	4,43	7,62	9,48	9,14	11,13
II—U.S. Export-Import Bank Loans							
(*i*) First Loan	..	..	..	..	3,57	3,57	7,14
(*ii*) Loans to Air India:							
(*a*) First Loan	..	..	16	33	33	33	33
(*b*) Second Loan	..	..	..	32	65	65	65
TOTAL	..	..	16	65	4,55	4,55	8,12

III—*Loans from U.S.S.R.*:						
(i) Bhilai Loan	16,73	6,40	9,79	..	5,40	..
(ii) Industrial Enterprises	..	..	..	..	1,14	1,14
(iii) First Credit for Third Plan	..	..	..	..	1,32	97
(iv) Miscellaneous Credits	..	..	..	1,08	6,24	11,27
TOTAL	16,73	6,40	9,79	1,08	14,10	13,38
IV.—*U.K. Credits*:						
(a) *U.K. Government Loans*						
(i) Second E.C.G.D. Credit	..	..	..	..	...	4,23
(ii) U.K. India (Oil Pipeline) Credit	..	..	..	..	..	1,33
(b) *Lazard Brothers*	..	2,00	6,00	7,33	7,33	..
TOTAL	..	2,00	6,00	7,33	7,33	5,56
V.—*Loans from Canada*:						
(i) Wheat Loan—I	1,64	1,65	..	3,29	3,29	1,64
(ii) Wheat Loan—II	..	60	60	60	60	60
(iii) Miscellaneous Credits	..	..	..	..	48	115
TOTAL	1,64	2,25	60	3,89	4,37	3,39
VI.—*Loans from Federal Republic of Germany*:						
(i) Rourkela Credit	5,58	42,17	13,12	7,40	7,75	5,70
(ii) D.M. 168 million credit	..	..	47	47	47	..
(iii) D. M. 100 million credit, 1961	..	..	..	3,57	..	2,97
TOTAL	5,58	42,17	13,59	11,44	8,22	9,61

1	2	3	4	5	6	7	8
VII—Loans from Japan :							
First Yen Credit	..	..	..	27	1,71	1,72	3,08
VIII—Kuwait Loan :	..	..	2,63	2,63	3,21	3,21	3,21
IX—Loan from New Zealand	..	..	..	..	..	..	7
X—Loans from Yugoslavia Miscellaneous Credit	..	..	..	..	..	..	51
XI—Loans from Federation of Rhodesia and Nyasaland Miscellaneous Credits	..	..	..	..	..	27	27
B.— INTERNATIONAL AGENCIES :							
I—I.B.R.D. Loans :							
(*i*) Agricultural Machinery Project Loan	2,87	56	..	..	..	..	..
(*ii*) Railways Project Loan I	5,40	5,59	1,26	1,31	1,36	1,36	70
(*iii*) Railways Project Loan II	..	..	2,74	2,90	3,06	3,06	3,24
(*iv*) Railways Project Loan III	..	..	..	75	1,57	1,57	1,66
(*v*) Railways Project Loan IV	..	..	..	41	86	86	91
(*vi*) Railways Project Loan V	..	..	..	..	59	59	1,23
(*vii*) D.V.C. I	41	2,13	48	50	52	52	54
(*viii*) D.V.C. II.	..	75	17	18	19	19	20
(*ix*) D.V.C. III	..	..	39	39	42	42	44
TOTAL	8,68	9,03	5,04	6,44	8,57	8,57	8,92
GRAND TOTAL	8,68	39,83	65,08	47,59	51,26	61,48	67,25

ANNEXURE XV

Investments in Government Commercial and Industrial Undertakings and returns therefrom.

This annexure is intended to show at one place the investments in and the profits of the Government Commercial and Industrial Undertakings whether run departmentally or set up under a statute or under the Indian Companies Act, 1956, and the returns accruing to Government therefrom. The annexure has been divided into two parts—Part A showing the investments in the major departmentally run undertakings and returns therefrom and Part B showing the investments in the other commercial and industrial undertakings and returns therefrom. Concerns which are not of a commercial or industrial nature, like the Reserve Bank of India, Industrial Finance Corporation, Life Insurance Corporation, etc. are excluded. Likewise, concerns in which Government of India do not have a majority investment are also excluded. For a proper appreciation, the Part B of the annexure has been divided into four sections, *viz.*, Section I—Undertakings which are still under construction; Section II—Hindustan Steel Ltd. which though a running concern is still in the stage of expansion; Section III—Other running concerns; and Section IV—Undertakings which are of promotional and developmental nature.

ANNEXURE XV

PART B—*Investments in other Government commercial undertakings and returns therefrom*

(In lakhs of Rupees)

Sl. No.	Name of the Undertaking	Investment in share Capital	Net Profit earned during 1962-63	Appropriations			Dividend/ Profit received by Govt. during 1962-63	Revised Estimates 1963-64		Budget Estimates 1964-65	
				Dividend	@General and other Reserve Funds	Development Rebate		Capital Investment	Dividend/ Profit expected to accrue to Govt.	Capital Investment	Dividend/ Profit expected to accrue to Govt.
	1	2	3	4	5	6	7	8	9	10	11
I.—	UNDERTAKINGS UNDER CONSTRUCTION.										
	Ministry of Defence.										
1	Aeronautics (India) Ltd.	..	..	..	..	..	..	1,00	..	3,00	..
2	Aircraft Manufacturing Depot.	..	..	..	..	..	..	..	..	20	..
3	Earth Movers (India) Ltd.	..	..	..	..	..	..	..	..	2,00	..
	Ministry of Industry.										
1	Hindustan Photo Film Manufacturing Co. Ltd.	1,65	..	..	..	..	..	1,35	..	1,20	..
	Ministry of Petroleum and Chemicals.										
1	Cochin Refineries Ltd.	..	..	..	..	..	..	3,57	..	..	..
2	Hindustan Organic Chemicals Ltd.	1,22 (30)	..	..	..	..	..	30	..	30	..
3	Indian Drugs and Pharmaceuticals Ltd.	3,80	..	..	..	..	..	9,00	..	8,00	..
4	Indian Refineries Ltd.	29,40	..	..	..	..	..	60	..	7,65	..
5	Pyrites and Chemicals Development Co. Ltd.	35(a)	..	..	..	..	..	55	..	80	..

ANNEXURE XV—*contd.*

1	2	3	4	5	6	7	8	9	10	11
I.— UNDERTAKINGS UNDER CONSTRUCTION (*contd.*)										
Ministry of Steel, Mines and Heavy Engineering										
1 Heavy Electricals Ltd. . .	26,50	..	..	..	..	..	9,00	..	12,50	..
2 Heavy Engineering Corporation Ltd.	51,65	..	..	..	..	..	31,00	..	2,35	..
3 Neyveli Lignite Corporation Ltd.	80,00	..	..	..	..	..	..	..	..	..
4 National Mineral Development Corporation Ltd. . . .	5,92	..	..	..	..	..	2,30	..	..	..
Department of Posts and Telegraphs.										
1 Hindustan Teleprinters Ltd. .	75	..	..	..	..	..	..	..	10	..
TOTAL . .	201,24 (30)	..	..	..	..	..	58,67	..	38,10	..
II.—RUNNING CONCERNS.										
Ministry of Steel, Mines and Heavy Engineering										
1 Hindustan Steel Ltd. . .	367,00	(—)23,91	..	..	..	..	81,00	..	1,00,00	..
III.—RUNNING CONCERNS.										
Ministry of Defence										
1 Garden Reach Workshop Ltd. .	80	13	..	..	1	..	30	..	10	..
2 Hindustan Aircraft Ltd. . .	20,00 (60)	94	..	77	21	..	..	..	..	..
3 Mazagon Docks Ltd. . .	73	8	..	11	..	..	25	..	10	..
4 Bharat Electronic Ltd. . .	5,21	47	..	21	5	..	..	..	..	..
Praga Tools Corporation Ltd.	1,51 (67)	..	..	..	..	..	..	..	..	..

	Ministry of Industry										
1	Hindustan Antibiotics Ltd.	2,47	70	16	36	18	15	..	15	..	15
2	Hindustan Cables Ltd.	1,61	40	8	9	2	8	..	8	28	10
3	Hindustan Insecticides Ltd.	97	43	6	61	..	6	..	6	..	6
4	Hindustan Salt Ltd.	1,67(c)	16(c)	..	..	..	..	..	..	13	..
5	Nahan Foundry Ltd.	40	(—)5	..	(—)1	..	..	..	..	..	..
6	National Instruments Ltd.	1,06	12	2	..	..	..	8	2	35	3
7	National Newsprint & Paper Mills Ltd.	4,95 (2,40)	50	..	..	..	..	..	..	..	..
	Ministry of International Trade										
1	Minerals and Metals Trading Corporation of India	..	..	..	..	..	..	2,00	..	..	..
2	State Trading Corporation of India	2,00	1,41	20	1,21	..	20	..	20	..	20
	Ministry of Irrigation and Power										
1	National Projects Construction Corporation Ltd.	1,33 (83)	21	..	..	21	..	..	..	..	..
	Ministry of Petroleum and Chemicals.										
1	Fertilizer Corporation of India	42,08	1,51	..	..	1,23	..	7,86	..	..	..
2	Indian Oil Company	3,22	60	..	..	43	..	1,75	..	1,64	..
	Ministry of Steel, Mines and Heavy Engineering										
1	Hindustan Machine Tools Ltd.	8,06	2,16	62	90	10	62	..	62	1,50	75
2	National Coal Development Corporation	35,35	1,26	..	..	22	..	9,00	..	9,00	..

ANNEXURE XV—*contd.*

1	2	3	4	5	6	7	8	9	10	11
III.—RUNNING CONCERNS. (*contd.*)										
Ministry of Transport										
1 Hindustan Shipyards Ltd. .	5,86	..	..	—3	..	..	41	..	..	..
2 Air India	13,41(aa)	1,35	67	28	1,00*	..	..	67	..	67
3 Indian Air Lines Corporation .	10,74(aa)	21	..	40	40*	..	23	..	63	..
4 Shipping Corporation of India Ltd.	23,45	1,32	..	53	80	..	..	..	..	..
5 Mogul Lines Ltd. . . .	1,01 (21)	27	6	21	..	5	1	5	..	5
Ministry of Works, Housing & Rehabilitation										
1 Hindustan Housing Factory Ltd.	40	4	..	2	1	..	4	..	10	..
2 National Buildings Construction Ltd.	72	—32	..	..	..	..	27	..	23	..
3 Ashoka Hotels Ltd. . .	1,50 (16)	32	12	1	1	5	..	11	..	11
Department of Atomic Energy										
1 Indian Rare Earths Ltd. . .	1,00	12	5	1	..	..	..	5	..	5
2 Travancore Minerals, Ltd. .	50 (25)	3	2	1	..	1	..	1	..	1
Department of Posts and Telegraphs										
1 Indian Telephone Industries Ltd.	4,00 (41)	40	16	19	5	14	..	14	..	14
TOTAL . .	196,01 (5,53)	14,77	2,22	5,88	4,93	1,36	22,20	2,16	14,06	2,32

IV.—PROMOTIONAL & DEVELOPMENTAL UNDERTAKINGS										
Ministry of Education										
1 National Research Development Corporation of India Ltd. . .	20	..	..	..	..	..	..	..	?	..
Ministry of Food & Agriculture										
1 Central Warehousing Corporation	3,86 (1,26)	..	..	..	..	..	60	..	80	..
Ministry of Industry										
1 National Industrial Development Corporation	45	..	..				5	..	..	..
2 National Small Industries Corporation Ltd.	50	..	..	..	..	..	..	..	..	..
3 Rehabilitation Industries Corporation Ltd. . . .	85	..	..	..	..	..	35	..	50	..
Ministry of International Trade.										
1 Export Credit and Guarantee Corporation (Export Risk Insurance Corporation)	50	..	..	..	..	..	..	..	..	..
2 Handloom and Handicrafts Export Corporation of India Ltd. .	12(b)	..	..	..	..	..	..	..	..	..

ANNEXURE XV—*contd.*

1	2	3	4	5	6	7	8	9	10	11
Ministry of Petroleum and Chemicals										
1 Oil and Natural Gas Commission	35,68 (c) & (a)		..	..	..	..	28,86	..	32,64	..
Ministry of Works, Housing and Rehabilitation										
1 Rehabilitation Housing Corporation.	6 (1)	..	..	..	..	..	..	..	..	..
TOTAL . . .	42,22 (1,27)	..	..	..	..	..	29,91	..	34,02	..
GRAND TOTAL .	806,47 (7,10)	—9,14	2,22	5,88	4,93	1,36	1,91,78	2,16	1,86,18	2,32

Note.—The figures in brackets are for investment other than by Government.

(*a*) Subsidiary of National Industries Development Corporation.

(*b*) Subsidiary of State Trading Corporation of India Ltd.

(*c*) Figures upto June 1962 in respect of Hindustan Salt Ltd. and as on 31-3-1962 being the letest available accounts in respect of Oil and Natural Gas Commission.

*This amount has been debited to the profit and loss account before arriving at the net profit.

(@) Net figures.

(**) Capital as per Act.

ANNEXURE XVI

PUBLIC BORROWINGS IN INDIA

The statement below compares the receipts on account of Rupee Loans (including Annuity Certificates and Prize Bonds) floated and discharged during the 5 years ending 1963-64 as compared with the figures assumed in the respective Budget Estimates:—

(In lakhs of Rupees)

		RUPEE LOANS	
		Floated	Discharged
1959-60	Budget ...	2,26,20	1,17,67
	Actuals ..	3,79,62	1,16,98
1960-61	Budget ...	2,52,00	1,09,00
	Actuals ...	2,47,03	1,09,37
1961-62	Budget ...	2,36,50	1,37,50
	Actuals ..	2,56,52	1,37,88
1962-63	Budget ...	2,60,70	1,82,85
	Actuals ...	3,37,04	1,82,59
1963-64	Budget ...	4,00,50	1,80,30
	Revised ...	4,52,32	1,78,45

The net realisations during 5 years ending 1963-64, would amount to Rs. 947·26 crores.

ANNEXURE XVII

UNFUNDED DEBT

The statement below gives the credits and debits, during the years from 1959-60 to 1963-64, under the head 'Unfunded Debt':—

(In lakhs of Rs.)

	Credit	Debit	Net credit
Budget, 1959-60	3,71,53	2,66,15	1,05,38
Actuals, 1959-60	3,59,93	2,53,94	1,05,99
Budget, 1960-61	3,95,76	2,68,22	1,27,54
Actuals, 1960-61	6,55,31	2,67,66	3,87,65
Budget, 1961-62	5,29,66	2,89,97	2,39,69
Actuals, 1961-62	4,82,19	3,00,41	1,81,78
Budget, 1962-63 . .	5,50,53	3,17,38	2,33,15
Actuals, 1962-63 . .	4,92,03	3,28,20	1,63,83
Budget, 1963-64	5,88,26	3,21,54	2,66,72
Revised, 1963-64	5,55,23	3,09,58	2,45,65

The total net realisations on account of State Provident Funds, Post Office Savings Bank Deposits, National Savings Certificates, P.L. 480 Deposits, Defence Deposit Certificates, National Defence Certificates and other items falling under the head "Unfunded Debt" during the 5 years ending March, 1964 would amount to Rs. 1084·90 crores.

ANNEXURE XVIII

Statement showing the guarantees given by the Central Government and outstanding as on 31st December, 1963.

Serial No.	Name of the Public or Other body for whom guarantee has been given	Authority for giving guarantee and date of sanction, etc.	Nature and Extent of the guarantee	Rate of interest involved, if any, (Percentage per annum)	Maximum amount guaranteed (In thousands of Rupees)	Sums guaranteed outstanding on 31-12-63 (In thousands of Rupees)	Whether any securities are pledged to Govt. as a set off against the guarantee	Remarks
1	2	3	4	5	6	7	8	9
			MINISTRY OF COMMUNITY DEVELOPMENT & CO-OPERATION					
1	Bellary Central Co-operative Stores Ltd.	Min. of F&A No. 16/7/58 Co-Op., dated 19-11-56. and sanction dated 4-6-56.	Continuing joint guarantee with the State Govt. concerned on a 50 : 50 basis for repayment of principal, interest and other moneys in respect of loans	7 per cent. with ½ percent rebate for punctual payments.	20,00		Assets are pledged with I.F.C.	The Stores have repaid Rs. 20.80 lakhs and the balance has been declined. The Govt. of India (Min. of C. D. & C.) have executed a consolidated deed of guarentee dated 26-4-61 for both the loans for an amount of Rs. 54,75,000 outstanding at that time.

1	2	3	4	5	6	7	8	9
			granted by the Industrial Finance Corporation to the society to the extent of Rs. 40 lakhs.			18,97		
	Do.	Min. of C. D. & C. No. 9-102/59 F & S, 27-4-60 and sanction dt. 25-2-59.	Do. of Rs. 20 lakhs.	Do.	10,00		Do.	
2	Pandavpura Sahakari Sakhar Karkhana Ltd.	Min of F&A No. 34-10/58-Co-op. II, dt. 30/6/58 and sanction dated 28-2-58	Do. of Rs. 50 lakhs.	7 per cent. with a rebate of ½% for punctual payment of interest and principal.	25,00	16,71	Assets are pledged with I.F.C.	
3	Madurantakam Co-operative Sugar Mills Ltd.	Min. of F & A No. 34-12/58-Co-op. II, dated 13-1-58. and sanction dated 16-5-57.	Do. of Rs. 50 lakhs.	Do.	25,00	25,50	Do.	
	Do.	Min of CD&C No. 33-35/60, dated 4-1-62. and sanction dated 29-12-60.	Do. of Rs. 13 lakhs.	Do.	6,50		Do.	
4	North Arcot District Co-operative Sugar Mills Ltd.	Min. of C.D.&C. No. 34 (12)/58 Co-op. II, dated 20-2-58. and sanction dated 27-2-58.	Do. of Rs. 55 lakhs.	Do.	27,50	20,00	Do.	

5	Amravati Co-Operative Sugar Mills, Ltd.	Min. of F. & A. No. 34(12) 58 Co-Op. II, dated 20-2-58 and sanction dt. 27-2-58.	Do. of Rs. 55 lakhs.	Do.	27,50	22.42	Do.	
6	Amadalavalasa Co-Operative Agricultural Industrial Society Ltd.	Min. of C.D.&C. No. F-9/96/59-F&P, dt. 21-3-60 and sanction dt. 26-10-59.	Do. of Rs. 75 lakhs.	Do.	37,50	37,50	Do.	
		No. 4-20/61 Sug. dated 23-3-62 and sanction dated 28-9-61.	Do. of Rs. 15 lakhs.	7½ per cent. with ½ per cent. rebate	7,50	7,50	Do.	
7	Chodavaram Co-Operative Agricultural and Industrial Society Ltd.	(i) No. F. 9/58/59/F. & P. dt. 21-3-60. and sanction dated 26-10-59	Do. of Rs. 75 lakhs.	7 percent with a rebate of ½ per cent.	37,50	37,50	Do.	
		(ii) 13-71/60-Sugar dated 23-3-62 and sanction dated 26-8-61	Do. of Rs. 15 lakhs.	7½ per cent. p.a. with ½ per cent. rebate	7,50	7,50	Do.	
8	Palakole Co-Operative Agricultural & Industrial Society Ltd.	(i) Min. of C.D.& C.No. F13/10/59 TS, dt. 1-12-60 and sanction dt. 31-3-60.	Do. of Rs. 75 Lakhs.	7 per cent. with a rebate of ½ per cent.	37,50	35,00	Do.	The society has yet to avail itself of Rs. 5 lakhs.
		(ii) 4-8/61- Sugar, dated 24-3-62 and sanction dated 28-12-61.	Do. of Rs. 15 Lakhs.	7½ per cent. with ½ per cent. rebate.	7,50	..	Do.	No amount has been advanced so far.

1	2	3	4	5	6	7	8	9
9	The Chittoor Co-Operative Sugars Ltd.	Min. of C.D.&C. No. F13-41/60 TS, dt. 5-12-60 and sanction dt. 28-4-60.	Do. of Rs. 75 Lakhs.	7 per cent. with ½ per cent. rebate.	37,50	37,50	Do.	
10	Haryana Co-Operative Sugar Mills, Ltd.	Min. of F. & A. No. 16-2/56-Coop. I, dated 19-5-58 for Rs. 45 lakhs *vide* sanctions dated 15-10-55 and 30-10-56.	Do. of Rs. 45 Lakhs.	6½ per cent with ½ per cent. rebate.	22,50	13,06	Do.	
	Do.	No. 34-8/58-Co-op. II, dated 13-2-59 for Rs. 10 lakhs *vide* sanction dt. 27-6-58.	Do. of Rs. 10 lakhs.	7 per cent. per annum with a rebate of ½ %.	5,00	3,20	Do.	
11	Janta Co-operative Sugar Mills.	Min. of F.&A. No. 16-2/56 Co-op. I, dated 19-5-56 for Rs. 35 lakhs *vide* sanction dt. 15-10-55.	Do. of Rs. 35 lakhs.	6½ per cent. per annum with a rebate of ½ %.	17,50	6,03	Do.	
	Do.	Min. of CD&C No. 34-8/58, dt. 13-2-59, *vide* sanction dated 27-6-58.	Do. of Rs. 10 lakhs.	7 per cent. per annum with ½ per cent. rebate.	5,00	2,50	Do.	

12	Panipat Co-operative Sugar Mills Ltd.	Min. of C.D.&C No. 34-8/58, dated 13-2-59 for Rs. 11 lakhs and sanction dated 27-2-58.	Do. of Rs. 11 lakhs.	7% per annum with ½ % rebate.	5,50	2,50	Do.
13	Morinda Co-opertive Sugar Mills Ltd.	Min. of C.D.&C No. 13-70/60, dated 18-11-61 and sanction dt. 29-3-61.	Do. of Rs. 90 lakhs.	7½% per annum with ½% rebate	45,00	45,00	Do.
14	Batala Co-operative Sugar Mills Ltd.	Min. of C.D.&C No. 13-64/60, dated 17-11-61 and sanction dated 29-3-61.	Do. of Rs. 90 lakhs.	Do.	45,00	45,00	Do.
15	Bazpur Co-operative Sugar Mills Ltd.	M.F & A No. 16-27/56 Co-op, II, dated 29-9-57 for Rs. 60 lakhs and sanction dated 8-2-57.	Do. of Rs. 60 lakhs.	7% per annum with ½% rebate for punctual payments.	30,00	17,70	Do.
	Do.	Letter No. 9-61/60 Co-op. II, dated 29-6-60.	Do. of Rs. 15 lakhs.	7% per annum with ½% rebate for punctual payments.	7,50	6,00	Do.
16	Bhagpat Co-operative Sugar Mills Ltd.	Min. of C.D. & C. No. 9-30/59-Co-op. II, dt. 7th July, 1959 and sanction dated 27-9-59.	Do. of Rs. 60 lakhs.	Do.	30,00	27,50	Do.

1	2	3	4	5	6	7	8	9
					Rs.	Rs.		
17	Assam Co-operative Sugar Mills Ltd.	(i) Min. of F. & A. 16-17/56/Co-op. I, dated 25-2-57 and sanction dated 26-6-56	Do. of Rs. 45 lakhs.	7% per annum with ½% rebate for punctual payments.	22,50	16,50	Assets pledged with I.F.C.	
		(ii) Min. of C. D. & C. Letter No. 9-3/59-F & P, dated 19-11-59 and sanction dated 25-2-59.	Do. of Rs. 15 lakhs.	Do.	7,50	6,75	Do.	
18	Shriram Shakari Sakhar Karkhana Ltd.	Min. of F. & A. F. 16-2/56 Co-op. I, dated 19-5-56 and F. 2-2/57-Co-op. II (C.P.), dated 12-12-57. Sanctions dated 17-12-55 and 16-5-57, respectively.	Do of Rs. 47·50 lakhs.	Do.	23,75	10,06	Do.	
19	Malegaon Sahakari Sakhar, Karkhana Ltd.	Min. of F. & A. F. 16-2/56-Co-op. I, dated 19-5-56 & F/16-2/ 56-C Co-op. I, dated 28-11-56, F2(2)/57-Co-op. II (C. P.) dated 12-12-57 and sanctions dated 6-8-55 & 16-5-57.	Do. of Rs. 52·50 lakhs.	7% per annum with a rebate of ½ per cent. for punctual payments.	26,25	11,37	Do.	
		No:—13-18/60-Sugar dated 5-8-63 and Sanction dt. 24-8-62	Do. of Rs. 15 lakhs.	7½% per annum with ½% rebate	7,50	..	Do.	No amount has been advanced so far.

20	Shri Chhattrahpathi Shivaji Sahakari Sakhar Karkhana Ltd.	Min. of F. & A. No. 2-2/57 Co-op. II, dated 12-12-57 and sanction dt. 30-10-56.	Do. of Rs. 24 lakhs.	7 per cent subject to a rebate of ½ per cent for punctual payments.	12,00	1,50	Do.	
21	Ashoka Sahakari Sahkar Karkhana Ltd.	Min. of F. & A. F. 16-2/56 Co-op. I, dated 19-5-56. and 28-11-56.	Do. of Rs. 45 lakhs.	Do.	26,25	15,53	Do.	
		F. 2(2)/57 Co-op. II (C.P.), dt. 12-12-57. Sanction dt. 16-5-57.	Do. of Rs. 7·5 lakhs.	Do.				
22	Ganesh S. S. K. Ltd.	Min. of F. & A. F. 16-2/56- Co-op. II, dt. 19/5/56 & F 16-2/56 Co-op. I, dt. 21-9-56. Sanction dt. 15-10-55.	Do. of Rs. 45 lakhs.	Do.	26,25	15,50	Do	
	Do.	Do. F. 2 (2) 57 Co-op. I, (C.P.) 12-12-57. Sanction dt. 16-5-57.	Do. of Rs. 7·5 lakhs.	Do.				
	Do.	Min. of C. D. P. R. & C. No.-4(9)/61-Sugar dated 30-1-62 and sanction dated 1-3-61.	Do. of Rs. 15 lakhs	7½% with ½ per cent rebate for punctual payments.	7,50		Do.	No amount has yet been advanced.

1	2	3	4	5	6	7	8
23	The Girna S.S.K. Ltd.	Min. of F. & A. No. F. 16-2/56 Co-op. I, dt. 7-8-56. Sanction dt. 2-3-56.	Do. of Rs. 40 lakhs.	7 per cent with ½ per cent rebate for punctual payment.	32,50	23,50	Do.
		Do. No. F. 2(2) 57- Co-op. II dt. 12-12-57. Sanction dt. 16-5-57.	Do. of Rs. 15 lakhs.	Do.			
		Min. of C.D.&C. No. 9-68/59 F&P dt. 4-12-59. Sanction dt. 24-12-58.	Do. of Rs. 10 lakhs.	Do.			
	The Bhogawati S.S.K. Ltd.	Min. of F. & A. F 16-2/56 Co-op. I, dt. 28-11-56. Sanction dated 4-6-56.	Do. of Rs. 45 lakhs.	Do.	32,50	23,50	Do.
		Do. No. F. 2 (2)/57-Co-op II (C. P.), dt. 12-12-57. Sanction dt. 16-5-57.	Do. of Rs. 10 lakhs.	Do.			
		Min. of C.D.&C. No. 9-61/59 F &P., dt. 4-12-59. Sanction dt. 24-12-58.	Do. of Rs. 10 lakhs.	Do			

25	Shree Warana S. S. K. Ltd.	Min. of F&A No. F. 16-25/6-Co-op. I, dt. 28-11-56. Sanction dt. 4-6-56.	Do. of Rs. 45 lakhs.	Do.	32,50	23,50	Do.
		Do. No. F. 2 (2)/57-Co-op. II (C. P.), dt. 12-12-57. Sanction dt. 16-5-57.	Do. of Rs. 10 lakhs.	Do.			
		Min. of C.D. & C. No. 9-65/59-F& P, dt. 3-12-59. Sanction dt. 24-11-58.	Do. of Rs. 10 lakhs.	Do.			
26	Shree Pancha Ganga S.S.K. Ltd.	Min. of F.&A. No. F. 16-2/56 Co-op., dt. 6-6-57. Sanction dated 26-6-56.	Do. of Rs. 45 lakhs.	Do.	32,50	22,90	Do.
		Do. No. F. 2 (2)/57-Co-op. II (C.P.), dt. 12-12-57. Sanction dated 16-5-57.	Do. of Rs. 10 lakhs	Do.			
		Min. of C.D. & C. No. 9-70/59-F. & P., dt. 4-12-59. Sanction dt. 24-11-58.	Do. of Rs. 10 lakhs.	Do.			
27	Shet Karl S.S.K., Ltd.	Min. of F.& A. No. F. 2-2/57-Co-op. II, (C.P.), dt. 23-11-57. Sanction dt. 16-5-57.	Do. of Rs. 55 lakhs.	Do.	32,50	24,27	Do.
		Min. C.D. & C. No. 9-67/59-F. & P., dated 4-12-59. Sanction dated 24-11-58.	Do. of Rs. 10 lakhs.	Do.			

1	2	3	4	5	6	7	8	9
28	Bileshwar S.S.K. Udyog Mandli Ltd. (Kodinar)	Min. C.D.& C. No. 34/2/58-Co-op. II, dt. 27-2-59. Sanctions dt. 27-2-58 and 23-4-58.	Do. of Rs. 60 lakhs.	Do.	30,00	20,48	Do.	
29	Shri Hiranya Keshi S.S.K. Ltd.	Min. of CD & C letter 13-80/60-Sugar, dt. 1-12-61. Sanction dated 31-3-60.	Do. of Rs. 75 lakhs.	Do.	37,50	Nil	Do.	The Society has been given an interim loan of Rs. 70 lakhs against the 100% guarantee of the State Government. Out of this the. Society has repaid Rs. 5 lakhs.
30	Krishna S.S.K. Ltd.	Min. of F. & A. Nos. 16/2/57 Co-op. I, dt. 6-6-57 and 2 (2)/57 Co-op II, dt. 12-12-57 and Min. C.D. & C. No. 4-6/61 Sugar dated. 20-3-61. Sanctions dated 30-7-56, 16-5-57 and 19-12-59, respectively.	Do. of Rs. 40 lakhs, 15 lakhs and 20 lakhs respectively.	7 per cent. with rebate of ½ per cent for punctual payments.	37,50	35,00	Do.	
31	Kissan Co-operative Sugar Factory Ltd., Sarsawa.	Min. of CDPR& C No. 13-102/60-Sugar, dated 5-1-62 and sanction dated 27-4-61	Do. of Rs. 48 lakhs.	7½ per cent with ½ per cent rebate for punctual payment.	24,00	24,00	Do.	

32	Nizamabad Co-operative Sugar Factory Ltd.	Do. No. 9-78/59, dated 23-3-62 and sanction dated 26-8-61.	Do. of Rs. 90 lakhs	Do.	45,00	..	Do.	The Society has been advanced an interim loan of Rs. 75 lakhs against 100% guarantee of the State Govt.
33	Ashoka Co-operative Sugar Industries Ltd.	Do. No. 4/34/61 Sugar, dated 2-5-61, and sanction dated 29-11-60.	Do. of Rs. 85 lakhs.	Do.	42,50	..	Do.	Interim loans to the extent of Rs. 75 lakhs have been advanced against 100% guarantee of the State Govt.
34	Mannam Co-operative Sugar Mills Ltd.	Do. No. 13-34-60 Sugar, dated 22-12-62 and sanction dated 26-7-62.	Do. of Rs. 90 lakhs	Do.	45,00	40,00	Do.	The Society has yet to avail of balance of Rs. 10 lakhs.
35	Kumbhi Kesari S.S.L. Ltd.	Do. No. 9-18/59 Sugar, dated 21-7-62 and sanction dated 25-5-61.	Do. of Rs. 90 lakhs.	Do.	45,00	..	Do.	No amount advanced so far.
36	Someshwar S.S.K. Ltd.	Do. No. 9-119/59 Sugar, dated 30-7-62 and sanction dated 28-9-61.	Do. of Rs. 90 lakhs.	Do.	45,00	..	Do.	No amount advanced so far.
37	Chittur Co-operative Sugars	Do. No. 9-143/59 Sugar, dated 28-6-63 and sanction dated 28-6-62.	Do. of Rs. 90 lakhs	Do.	45,00	..	..	The Society has been advanced an interim loan of Rs. 60 lakhs against 100 % guarantee of the State Govt.

1	2	3	4	5	6	7	8	9
38	Sahakari Khand Udyog Mandli Ltd., Gandvi	Do. No. 4-10/61 Sugar, dated 7-3-63 and sanction dated 26-10-61,	Do. of Rs. 35 lakhs	Do.	17,50	..	..	No amount advanced so far.
39	Salem Co-operative Sugar Mills Ltd.	Do. No. 4-32/61 Sugar, dated 18-2-63 and sanction dated 30-1-62.	Do. of Rs. 90 lakhs	Do.	45,00	..	..	Do.
40	National Co-operative Sugar Mills Ltd.	Do. No. 4-15/63 Sugar, dated 30-11-63 and sanction dated 26-4-63.	Do. of . 90 lakhs.	Do.	45,00	..	..	Do.
41	Kallakurichi Co-operative Sugar Mills Ltd.	Do. No. 4-14/63 Sugar, dated 7-12-63 and sanction dated 30-5-63.	Do. of Rs. 90 lakhs.	Do.	45,00	..	..	Do.
42	Doodhganga Veda Ganga S.S. K. Ltd.	Do. No 9-142/59 Sugar, dated 11-1-63 and sanction dated 29-3-62.	Do of Rs. 90 lakhs.	Do	45,00	..	..	Do
43	Sanjiwani Takli S.S.K. Ltd.	Do. No. 9-141/59, dated 16-2-63 and sanction dated 1-3-62.	Do. of Rs. 90 lakhs.	Do.	45,00	..	..	Do.

44	Yashwant S.S.K. Ltd.	Do. No. 9-120/59 Sugar, dated 20-3-63 and sanction dated 30-1-62	Do. of Rs. 90 lakhs.	Do.	45,00	..	..	Do.
45	Tripura State Co-operative Bank Ltd., Agartala.	Min. of CD & C No. 3-12-61 U.T., dated 12-10-61.	Repayment of principal and interest.	2½% Charged by RBI	8,00	..	..	Do.
46	Pondicherry State Co-Operative Bank Ltd., Pondicherry.	No. F3-14/62-U.T., dated 4-12-62.	Continuing guarantee for both principal and interest	1½% below Bank rate	5,00	2,85		Medium term Loan.
		Min. of C. D.&C No. F.3-15/62-U.T., dated 5-12-62.	Continuing guarantee for both principal and interest	2% below Bank rate.	25,00	25,00	..	Short term Loan.
				MINISTRY OF DEFENCE				
47	Hindustan Aircraft Ltd., Bangalore.	Ministry of Finance (Defence) letter No. C. HAL/33, dt. 30-1-63.	Guarantee for cash credit arrangement with the State Bank of India and relates to the payment of principal and interest thereon.	6%	2,50,00 plus interest accrued thereon.	1,26,13	No.	..

1	2	3	4	5	6	7	8	9
48	Bharat Electronics Ltd.	Ministry of Finance (Defence) Letters No. 31/F/Prod/41, dated 5-1-63	Do.	Do.	2,00,00 plus interest charges.	1,79,76 plus interest charges.	Do	A demand pronote for the maximum amount guaranteed together with the interest accrued thereon has been made out to the President of India by the Chairman, Board of Directors and this in turn has been endorsed to the State Bank of India, Bangalore.
49	Garden Reach Workshops Ltd., Calcutta.	Ministry of Finance (Defence) letter No. C/GRW/2 dated 22-8-63	Do.	Do.	50,00 plus interest charges.	37,28	No.	
50	Mazagon Dock Ltd., Bombay.	Ministry of Finance (Defence) letter No. C/MD/4 dated 10-9-63.	Do.	Do.	70,00 plus interest charges.	58,16	No.	
			MINISTRY OF FINANCE					
51	Industrial Credit and Investment Corporation of India Ltd.	Guarantee Agreement dt. 14-3-55 between the President of India and the International Bank for Reconstruction and	Payment of principal, interest and other charges as per loan agreement between the borrower and the I.B.R.D. referred	4⅝ %	4,76,19	3,47,57	..	

		Development.	to in the guarantee Agreement.						
	Industrial Credit and Investment Corporation of India Ltd.	Guarantee Agreement dt. 15-7-59 between the President of India and the I.B.R.D.	Do.	Variable	1,76,19	3,49,86			
52	Do.	Guarantee Agreement dt. 28-10-60 between the President of India and the I.B.R.D.	Do.	Do.	9,52,38	5,89,00	No.	..	
	Do.	Guarantee Agreement dated 28-2-62 between the President of India and the I.B.R.D.	Do.	Do.	9,52,38	1,78,55	..	..	
	Do.	Guarantee Agreement No. 340-IN dated 5-3-63 between the President of India, I.B.R.D. and I.C.I.C.	Do.	Do.	14,28,57	17,43	..	..	
	Do.	Guarantee Agreement dated 26-4-63 between the Govt. of India and Kreditanstalt	For providing foreign exchange facility for settlement of all claims under the loan agreement dated 26-4-63.	5½%	2,38,09	2,38,09	..	..	

1	2	3	4	5	6	7	8	9
	Industrial Finance Corporation of India.	Section 5 of the I. F. C. Act, 1948.	Guarantee of the share of the Corporation as to the repayment of principal and payment of the annual dividend.	(i) 2½% as minimum guaranteed dividend. (ii) 4% as minimum guaranteed dividend.	(i) Shares of 5,00,00 5,00,00 and dividend thereon. (ii) Shares of 2.00,00 and dividend thereon.	5,00,00 2,00,00	No. No.	The total amount drawn from the Govt. by way of subvention to meet the guaranteed dividend upto the 30th June, 1956 amounts to Rs. 53,45,490·16 nP. The Corporation has since repaid the entire amount.
	Do.	Section 21 (2) of the I. F. C. Act, 1948.	Repayment of principal and payment of interest in respect of 1964 Bonds issued by the Corporation aggregating Rs. 7,80,50,000.	3¼%	7,80,50	7,80,50	No.	The bonds mature on 1st August, 1964.
	Do.	Section 21 (2) of the I. F. C. Act, 1948.	Repayment of principal and payment of interest in respect of 1967 Bonds issued by the Corporation aggregating Rs. 4,56,47,400.	4½ %	4,56,47	4,56,47	No.	The bonds mature on 25th November, 1967.
	Do.	Do.	Repayment of principal and payment of interest in respect of 1968 Bonds issued	4½ %	4,38,31	4,38,31	No	The bonds mature on 24th November, 1968.

		by the Corporation aggregating Rs. 4,38,30,800.					
Do.	Do.	Repayment of principal and payment of interest in respect of 1971 Bonds issued by the Corporation aggregating Rs. 5,48,86,900.	4%	5,48,87	5,48,87	No.	The bonds mature on 5th October, 1971.
Do.	Section 27 (2) of the I. F. C. Act, 1948.	Repayment of principal and payment of interest in respect of the Corporation Special Bonds, 1964 of the face value of Rs. 3,50,00,000.	4%	3,50,00	Nil	No.	The Bonds mature on 1st January 1964.
Do.	Do.	Repayment of principal and payment of interest in respect of the Corporation Special Bonds 1974 of the face value of Rs. 6,00,33,100.	4½%	6,00,33	6,00,33	No.	The Bonds mature on 28th September, 1974.
Do.	Section 27 (2) of the I.F.C. Act and loan agreement dated 7-12-60 between the Corporation,	Repayment of Principal and payment of interest.	5%	4,76,19	3,83,08	No.	..

1	2	3	4	5	6	7	8	9
		the President of India and the Agency for International Development.						
	Do. .	Do. and loan agreement dated 28-6-62 between the Corporation, the President of India and the Agency for International Development.	Repayment of Principal and Payment of interest.	5%	9,52,38	Nil	No	..
	Do. .	Guarantee Agreement dated 24-10-63 between the Govt. of India and Kreditanstalt.	For providing the foreign exchange facility for settlement of all claims under the Loan Agreement dated 24-10-63.	5½%	2,97,50	2,97,50	..	..
54	Madras State Electricity Board.	No. 10(26)-FCII/60, dt. 4-8-61	Surety for the due and punctual payment of principal and interest and other charges on the loan.	6%	1,99	1,99	..	These guarantees are against *ad hoc* credit (Suppliers Credits).
	Do. .	Do. .	Do. .	Do.	5,16	5,16	..	
55	Madhya Pradesh Electricity Board.	Do. .	Do. .	Do.	4,05	4,05	..	
	Do. .	Do. .	Do.	Do.	13,62	13,62	..	
56	Andhra Pradesh Electricity Board.	Do. .	Do.	Do.	11,61	11,61	..	

		Do.	Do.	Do.	Do.	2,05	2,05			..
		Do.	Do.	Do.	Do.	2,40	2,40			.
57	Mysore Electricity Board.	No. 10(26)-FCII/60, dt. 9-8-61.	Do.	Do.		9,52	9,52			
58	U.P. State Eletricity Board	No. 10(2)FCII/61, dt. 12-2-62	Do.	Do.		40,06	40,06			
		Do.	Do. dated 16-10-62.	Do.	Do.	1,72,42	1,72,42			
		Do.	No. 10(26)FCIII/60 dated 19-4-63.	Do.	6%	10,11	10,11	Nil		..
		Do.	do. dated 28-12-63.	Do.	6%	15,05	15,05	Nil		..
59	Agricultural Refinance Corporation	Section 6 of the Agricultural Refinance Corporation Act, 1963 (10 of 1963) and Min. of Finance notification No. F14/3/63-SB, dated 10-6-63.	Guarantee of the shares of the Corporation as to the repayment of principal and payment of minimum annual dividend thereon.	4¼% as the minimum guaranteed annual dividend on the shares issued in the first instance.		Shares of 5,00,00	5,00,00 and dividend thereon.		No	

1	2	3	4	5	6	7	8	9
			MINISTRY OF INDUSTRY					
60	National Industrial Development Corporation Ltd.	Ministry of Commerce and Industry letters No.1(7)-NIDC 59, dated 12-9-59 and 2/21-3-61 and revival letters dated 5-4-63.	Guarantee for overdraft arrangement with the State Bank of India to the extent of Rs. 25 lakhs.	½% above State Bank advance rate subject to a minimum of 4½ % p.a.		25,00	Nil	No. ..
62	(i) National Small Industries Corporation Ltd., Bombay.	Government of India M/C & I letter No. 8 SSI (A)(36) 57, dated 7-2-62.	The Government of India have given continuing guarantees of Rs. 30 lakhs, Rs. 15 lakhs, Rs. 20 lakhs and Rs. 30 lakhs for Bombay, Calcutta, Madras and Delhi branches respectively for the import of Machinery.	Nil		30,00	1,12	Nil.
	(ii) National Small Industries Corporation Ltd., Madras.					20,00	1,91	
	(iii) National Small Industries Corporation Ltd., Calcutta.					15,00	11,58	
	(iv) National Small Industries Corporation Ltd., Delhi.					30,00	5,47	

	(v) National Small Industries Corporation Ltd., New Delhi.	Min. of C & I letter No. 15-SSI(A)(14)/56 dated, 28-3-57.	Guarantee to indemnify State Bank of India for granting 100% advances against raw materials to Small Scale Units, subject to a limit of Rs. 25,000 in the case of individual borrowers within a ceiling of Rs. 30 lakhs.	..	30,00	2 36	Nil.
	Do.	Min. of C. & I. letter No, 8SS I. (A)(36). 57 dated 12-5-61.	Continuing guarantee for import of machinery.		15,00	70	Nil
	Do.	Loan agreement No. 184, dated 10-4-61 signed between N.S.I.C., Govt. of India and Agency for International Dev. U.S.A.	Repayment of principal and interest.	5%	48	28	
62	Institutions specified by clause 2 (c) of the Scheme for the guarantee of advances granted to Small Scale Industries.	Guarantee Organisation (R.B.I) sanction between 16-11-60 and 30-12-1963	Guarantee of a portion of possible losses in respect of loans and advances made by 33 credit institutions to Small Scale Industries to the extent of 52½ % to 60%	A commission of ¼% P.A. on the maximum amount of advance.	7,02,18	7,02,18	No.

1	2	3	4	5	6	7	8	9
				of the limits guaranteed subject to a maximum of Rs. 1 lakh in respect of any one advance.				
63	West Coast Paper Mills, Bombay.	Guarantee given on 28-2-59.	Repayments of Loans and interest thereon to Industrial Finance Corporation	7 percent with a rebate of 1/2 percent. for punctual payment of interest and repayment of the instalments of principal and compliance with all other obligations under the relative Mortgage Deed.	1,50,00	13,20	The Company's block assets have been mortgaged with the I.F.C.	..
64	Hindustan Organic Chemicals, Ltd.	Letters No. 14(28)61-CL. III dated 19-3-63.	..	Nil	3,87,00	Nil	Nil	
65	Hindustan Cables, Ltd.	10-12-62 Proj, dated 4-9-63	..	¼% above State Bank of India, Advance Rate with a minimum of 6¼% p.a. with monthly rests.	1,00,00	Not available	Nil	
66	Nahan Foundry Ltd.	Min. of Industry letter No. 1/14/61-Proj. ated 4-10-63.	Operation of over draft account with the State Bank of India upto a maximum limit of Rs. 7 lakhs.	1/2% above the State Bank advance rate with a minimum of 5%	7,00	Not available	Nil	The period of validity of the guarantee expires on 31-3-64.

67	Jute Buffer Stock Association Calcutta.		Guarantee to the State Bank of India in respect of advances to the Association for purchase of Jute for buffer stock. The guarantee covers the margin usually kept by the State Bank.	1/4% above the State Bank of India Advance Rate rising and falling therewith with a minimum of 6¼% p.a.	1,00,00	1,00,00	No	
			MINISTRY OF INTERNATIONAL TRADE					
68	The State Commercial Bank of Burma, Rangoon.	Ministry of Finance No. 5/25/ECI/Fin. III/62, dated 25-10-62.	The guarantee is in respect of the grant of overdraft facilities to the State Commercial Bank of Burma, Rangoon by the State Bank of India.	..	40,00	1,20	No.	The guarantee is valid upto 28-2-1964.
69	Minerals and Metals Trading Corporation of India, Ltd.	Agreement between the President of India, the Corporation and the StateBank of India dated 3-10-1963.	C. C. Credit limit from State Bank of India—Rs. 3,00,00,000	6% P.A.	3,00,00	3,00,00	No	The Corporation has furnished a demand Promissory Note to Govt. against which the guarantee has been given. The Demand Promissory Note has been endorsed by Govt, to the State Bank.
70	State Trading Corporation of India, Ltd., New Delhi.	Guarantee dated 27-6-1957 revived on 27-11-1962.	Cash credit facility to be extended by State Bank of India New Delhi to the limit of Rs. 5 crores.	S.B.I. advance rate (Maximum 6%)	5,00,00*	97,93	No	*The limit available to S.T.C. with State Bank of India till 6-10-63 was Rs. 6 crores. With

1	2	3	4	5	6	7	8	9
								the formation of Minerals and Metals Trading Corporation this limit was reduced to Rs. 3 crores (*vide* Ministry of International Trade letter No. 1/8/63-ST., dated 3-10-1963 addressed to S.T.C.)
	Do.	Guarantee dated 14-9-60 revised on 10-12-1962	Do. of Rs. 1 crore		1,00,00	1,00,00		
71	Handicrafts and Handloom Exports, Corporation, Ltd.	Ministry of C & I letter No. 37 (9)/61-HSI, dated 23-6-1963.	Guarantee to the State Bank of India for extending overdraft facility.		5,00	5,00	No.	
72	National Bank of Pakistan, Karachi.	Ministry of Finance (C & I Div.) U.O. No. 6816/F.III/63, dated 27-12-1963	The guarantee is in respect of the grant of over-draft facilities to the National Bank of Pakistan, Karachi by the State Bank of India.	..	1,60,00	1,54,00	No.	The guarantee is valid upto 30-6-1964
73		MINISTRY OF IRRIGATION AND POWER						
	The Tata Power Company, Ltd., Tata Hydro-Electric Power Supply Co. Ltd. and The Andhra Valley Power Supply Co. Ltd.	Guarantee Agreement between the President of India and International Bank for Reconstruction and Development.	Payment of principal, interest & other charges as per loan Agreements between the borrower and I.B.R.D.	4¾%	6,50,14	4,62,66	..	
	Do.	Do.	Do.	5½%	4,60,05	3,59,00	.	

	National Project Construction Corporation Ltd.	Ministry of I&P letter No. 11(3)/59-Co-ord.,(D W IV), dated 20-2-63.	(i) Guarantee for cash credit arrangements with the State Bank of India to a maximum limit Rs. 1 crore.	1/4% above the State Bank Advance rate with a minimum of 6¼ % per annum.	1,00,00	95,60	No.	
			(ii) General Bank Guarantee given to State Bank of India for purposes of Bank Guarantees to be given by the State Bank to Project Authorities.	Nil	35,00	35,00	..	..
			MINISTRY OF PETROLEUM AND CHEMICALS					
75	Oil India Ltd.	(i) Ministry of Finance Deptt. of E.A.U.O. No. D. 1435/62 S.B. dated 2-6-62.	Guarantee for Rs. 3 crores for increasing the overdraft facilities given by the State Bank of India to the O.I.L. from Rs. 17 crores to Rs. 20 crores.	2% above the State Bank of India Advance Rate with a minimum of 7% p.a.	3,00,00	3,00,00	No.	
		(ii) Deptt. of E. A. U.O. No. 8/60/62-S. B. dated 9-10-62.	(ii) Guarantee for an additional sum of Rs. 3 crores in order to reduce correspondingly the amount of hypothecation of assets of O.I.L. from Rs. 7 crores to Rs. 4 crores for the above overdraft.		3,00,00	3,00,00		

1	2	3	4	5	6	7	8	9
76	Indian Refineries Ltd.	Contracts No. 1/44 dated 3-12-59 and No. 046 dated 16-6-61 for Barauni Refinery.	Guarantees have been given by the Govt. of India, in consideration of the State Bank of India issuing a letter of authority on the State Bank of U.S.S.R.	2·5% (Bank will charge a commission of ¼% on the letters of authority for the present).	14,63,04	1,00,58	..	Following the inter-Governmental Agreement the Indian Refineries, Ltd., concluded two subsidiary contracts with M/s. Tiazpromexport, Moscow.
	Do.	Min. of Finance No. 1(19)-FCIII/63 dated 3-10-63.	Due and punctual payment of the contract price and interest and other charges.	6%	2,85,41	2,85,41	..	..
77	Indian Oil Company Limited.	Govt. of India, Ministry of Mines & Fuel letter No. 9/19/63/IOC dated 9-4-63.	Guarantee to indemnify State Bank of India against all consequences on their granting I.O.C. Bank overdraft for Rs. 4 crores.	Please see Column No. 9	4,00,00	As indicated under Col. 9.	No.	Interest on the advance, payable quarterly will be as under. In drawings upto Rs. 2 crores at SBI advance rate, with a minimum of 6% per annum. On drawings in excess of Rs. 2 crores ¼% over SBI advance Rate with minimum of 6¼% per annum
	Do.	Govt. of India, Ministry of Mines & Fuel, letter No. 9/19/63/IOC dt. 26-11-63.	Guarantee to indemnify State Bank of India, against all consequences on their granting I. O. C. Bank Over draft for additional Rs. 2 crores.	Do.	2,00,00	*Do.	No.	Interest payable quarterly at ¼% over State Bank of India, Advance rate, with a minimum of 6¼% per annum. *Balance as per Cash Book Rs. 4,59,55,313·36 *Balance as per Bank's Pass Book Rs. 4,44,88,571.81

	Do.	Govt. of India Ministry of Mines & Fuel, letter No. 7/21/62/IOC dt. 24-11-62.	Guarantee A to U/O SOJUZNEFT-EXPORT, MOSCOW, for import of 3,00,000 Tonnes of fuel during the Calendar year 1963.	Nil.	Value not stipulated. On estimated imports during the year, value works out approximately Rs. 2·7 crores.	37,42	Nil.		*Outstanding represents value of shipments made from 1-7-63 to 31-12-63 in respect of which payments were outstanding on 31-12-63.
	Do.	Do.	Guarantee B to V/O SOJUZNEFT-EXPORT, MOSCOW for import of 7,00,000 tonnes of Petroleum products during the Calendar year, 1963.	Nil.	approximately Rs. 9·84 crores	3,74,62	Nil.		
78	Fertilizer Corporation of India Ltd. Naya Nangal (Pb.).	Guarantees dated 15-1-58 and 26-6-60.	Counter guarantee to State Bank of India to enable the Bank to issue letter of guarantee to the Foreign suppliers of equipment etc. to the Corporation on deferred payment basis.	6·5%		6,51,17	16,48		Relative to supply and erection of Fertilizer Group of Plants and supply of spares by M/s Saint Gobain, France
	Do.	Guarantee dated August, 1961.	Do.	6·5%		4,16	2,82	..	
	Do.	Guarantees dt. 20-7-62 and 5-1-63.	Do.			2,02	1,95	..	..
	Do.	D.L.F. loan agreement No. 162 dated 29-12-60	Do.	5¾%		14,25,00	11,05,14	..	..
79	Fertilizers & Chemicals Travancore Ltd.	Section 24 of Industrial Finance Corporation Act, 1948 in respect of	Repayment of principal and payment of interest and other	(i) Rs. 39,94,400 at 6% per annum with a rebate of ½% for prompt		2,95,94	2,62,59 and interest thereon.	..	..

1	2	3	4	5	6	7	8	9
		loans advanced by the Industrial Finance Corporation.	charges.	payment of interest and instalments of principal. (*ii*) Rs. 2,06,00,000 at 4½% per annum. (*iii*) Rs. 50,00,000 at such rates as may be fixed by the Corporation from time to time with the prior approval of the Central Govt. subject to a minimum of 7% with a rebate of ½% as in (*i*) above.				
			MINISTRY OF RAILWAYS					
80	Burdwa Katwa Rly. Co. Ltd.	Contract dated 5th April, 1917 between the Secretary of State (now President of India), and the Burdwan Katwa Rly. Co. Ltd.	The amount of the guarantee is limited to make up the net receipts of the Rly. Co. up to 3½% p.a. on its paid up share capital. When the net receipts of the Company exceed the minimum amount sufficient to pay interest on its paid up share capital at the rate of 5% p.a. such	3½%	17,80	17,80	[illegible]	The line is worked by the Company itself.

			excess is divided equally between the Govt. & the Co. Managing Agency remuneration amounting to Rs. 5,000 p.a. and other petty expenses subject to audit, are taken as a part of working expenses of the Railway in arriving at the net receipts of the Co.					
81	**Ahmadpur-Katwa Rly. Co. Ltd.**	Contract dated the 8th May, 1922 between the Secretary of State (now President of India) and the Ahmadpur-Katwa Rly. Co. Ltd.	The amount of guarantee is limited to make up the net receipts of the Rly. Co., upto 3½% p.a. on its paid up share capital. When the net receipts of the Co. exceed the minimum amount sufficient to pay interest on its paid up share capital at the rate of 5% p.a. such excess is divided equally between the Govt. & the Company. Managing Agency	3½%	17,24	17,24	No.	The line is worked by the company itself.

1	2	3	4	5	6	7	8	9
			remuneration amounting to Rs. 5,000 p.a. and other petty expenses subject to audit, are taken as a part of working expenses of the Rly. in arriving at the net receipts of the Company.					
82	Futwah Islampur Light Rly. Co. Ltd.	Contract dated the 3rd Sept. 1920 between the Secretary of State (now President of India) & F. I. Light Rly. Co. Ltd.	Same as above except that Managing Agency remuneration is taken at Rs. 6,000 p.a. in this case.	3½%	11,50	11,50	No.	Do.
83	Bankura Damodar River Railway Co. Ltd.	Agreement dated 6th Sept., 1918 between the Secy. of State (now President of India) & Bankura Damodar River Railway Co. Ltd.	Same as above except that Managing Agency remuneration is taken at Rs. 10,000 p.a. in this case.	3½%	34,00	34,00	No.	The line is worked by the Company itself.
84	Chaparmukh Silghat Railway Co. Ltd.	Contract dated 14th Nov. 1918 between the Secy. of State (now President of India) and the Cha-	The amount of guarantee is limited to make up the net receipts of the Rly. Co. upto 3½% p.a. on	3 "	31,00	31,00	No.	This line is worked by the Central Govt. through the agency of the Rly. Administration.

			parmukh Silghat Rly. Co. Ltd.	its paid up share capital. When the net receipts of the Co. exceed the minimum amount sufficient to pay interest on its paid up share capital at the rate of 5% p.a. such excess is applied towards the payment of the Managing Agency remuneration amounting to Rs. 6,000 & other petty expenses subject to audit and the balance, if any, is divided equally between the Govt. and the company.					
85	Katakhal Lala Bazar Railway Co. Ltd.		Contract dated 19th May, 1923 between the Secretary of State (now President of India) and the Katakhal Lala Bazar Railway Co. Ltd.	Same as above except that the Managing Agency remuneration is taken at Rs. 3,500 in this case.	3½%	8,91	8,91	No.	This line is worked by the Central Govt. through the agency of the Rly. Administration.

1	2	3	4	5	6	7	8	9
		MINISTRY OF STEEL, MINES AND HEAVY ENGINEERING						
86	Heavy Electricals Ltd., Bhopal.	..	The guarantee is to indemnify the State Bank of India against all claims in respect of guarantee furnished by them to a British firm M/s. Morgan Grenfell & Co. Ltd., London.	5% or 1% above the Bank of England rate whichever is higher.	3,62,67	2,81,38	No.	Heavy Electricals Ltd. Bhopal, a Government of India undertaking have secured credit facilities for £2·72 million to purchase plant and machinery required for the first phase of the project on deferred terms of payment abroad. The credit has been given by a Syndicate of British Banks represented by M/s. Morgan Grenfell and Co. Ltd The State Bank of India, the Bankers of HEL, have guaranteed repayment of credit and interest thereon to a limit of £3·0 million, and Government and HEL have given a counter guarantee to State Bank of India indemnifying it against all claims against the guarantee given by it to the British Firm.
7	Neyveli Lignite Corporation Ltd.	Agreement dated 9-11-57 between the Govt. of India & the Govt. of U.S.S.R.	Guarantee given in consideration of the State Bank of India issuing a	Nil	11,33,14	35	..	..

Letter of authority issued by the Govt. of India, Ministry of Finance, Deptt. of Economic Affairs.	letter of authority on the State Bank of U.S.S.R.				
Do.	..	..	3,02,17	6,90	..
2) Letter No. 6(7)/59 Lignite, dt. 16-4-60. and No. 6(1)/63-CS dated 10-6-63.	On account of payment due under the contract dated 27-10-59 entered by the Corporation with M/s Ansaldo Genoa, Italy for the supply of fertilizer plant.	6%	6,24,57	3,64,83	..
Letter No. 6(1)/63 CX dated 10-6-63.	Do.	Nil.	8,68	8,68	..
Letter No. 6(1) 63CX dated 26-11-63.	Do.	Nil.	39,49	39,49	
Ministry of Mines and Fuel No. 4(56)62-CX dated 13-2-63	Guarantee given by the Govt. of India to enable the Corporation to secure an overdraft for a sum not exceeding Rs. 2·25 crores from the State Bank of India.	..	2,25,00	Nil.	..
(3) Letter No. 10(26)F.C.II/60 dated 3-9-62.	Guarantee for the punctual payment of principal and interest charges etc. regarding *ad hoc* Credit from Japan.	6%	145	145	

1	2	3	4	5	6	7	8	9
88	Heavy Engineering Corporation Ltd., Ranchi.	Sanctions issued by the Ministries of Steel and Heavy Industries and Commerce and Industry on various dates in 1962.	The guarantee is to indemnify the State Bank of India against all consequences that may arise as a result of their issuing letters of credit for the Corporation in the establishment of Industrial Enterprises in India.	..	11,15,17	3,31,14	Nil	
	Do.	Min. of C. & I. letter No. F3/12/62, dated 28-12-61.			15,00	7,50	Nil	Guarantee for due and timely payments by the Corporation in respect of all its obligations to M/s Techno-expo on .
89	Indian Iron & Steel Co. Ltd.	Guarantee Agreement dated 18-12-52 between the President of India and the International Bank for Reconstruction and Development.	Payment of principal, interest & other charges, as per loan Agreement between the borrower and I.B.R.D referred to in guarantee Agreement.	4¾%	13,90,61	7,08,72	Entire properties of the Company are mortgaged to I.B.R.D. and the Govt. of India.	
	Do.	Guarantee Agreement dt. 19-12-56 between the President of India and the I.B.R.D.	Payment of principal, interest & other charges as per loan Agreement between the borrower and I.B.R.D. referred to in guarantee Agreement.	5%	9,50,00	5,20,48	Entire properties of the Company are mortgaged to I.B.R.D. and the Govt. of India.	..

		Guarantee agreement dt. 22-12-61 between the President of India and I.B.R.D.	Do.	5¼%	9,28,57	3,00	Do.	..
	Tata Iron and Steel Co. Ltd.	Guarantee Agreement dt. 26-6-56 between the President of India and the I.B.R.D.	Do.	4¾%	35,71,43	24,61,00	Do.	..
	Do.	Guarantee Agreement dated 20-11-57 between the President of India and the I.B.R.D.	Do.	6%	15,47,62	7,50,86	Do.	..
91	Hindustan Steel Ltd.	Guarantee dated 20-3-61.	Guarantee for overdraft arrangement with the State Bank of India.	4½% per annum.	16,00,00	6,33,63	..	Hindustan Steel Ltd. is a cent per cent Govt. owned undertaking.
	Do.	..	Full and timely payment by Hindustan Steel Ltd. of its payment obligations in respect of Rourkela Steel Plant.	..	44,04,06	22,91,04	..	Do.
	Do.	Min. of Finance Letter No. F2(5) FCII/62 dated 22-2-62.	Guarantee for due and punctual payment of principal and interest etc.	6%	47,60	47,60		
	Do.	Do. No 2(49)F.C.II/62 dated 23-1-63	Do.	3%	4,88,01	4,88,01	..	..

1	2	3	4	5	6	7	8	9
	Do.	Guarantee Agreement dated 18-2-63 between the Kreditanstalt Fur Wiederaufbau and the Govt. of India.	Do.	3%	1,78,81	1,78,81	..	..
92	M/s. Bolani Ores Ltd.	Department of Iron and Steel letter No. DU R-2(3)/60 dated 19-4-60 (guarantee deeds executed on 30-7-59 and 4-3-60.)	The guarantee is for payment by Govt. to the State Bank of India, Calcutta for the principal and interest in case of default by M/s. Bolani Ores, Ltd.	6½%	50,00	78,00	As guarantor the Govt. under the Contract Act would automatically be entitled to claim all rights and benefits against the Company.	Govt. of India own 50·5 per cent of the share capital of the Company.
93	Do.	Do.	Do.	6½%	30,00		Do.	Do.
			MINISTRY OF TRANSPORT					
	Shipping Corporation of India Ltd.	The Govt. of India Min. of Finance No. 11 (14)EF(EXIM) 58, dt. 20-4-59.	The Govt. of India guaranteed the due and punctual payment of principal and interest and other charges on loan of Japanese Yen 8,15,500,000 obtained by the Western Shipping Corporation Ltd. (which has since merged in	5¾% p.a. on 1st April/1st October.	1,08,00	84,19	Nil	Principal is payable in 15 semi-annual instalments as per Article IV included in the loan agreement commencing on April, 15, 1962.

			the Shipping Corporation of India) from the EXIM Bank Japan.					
		Guarantee for loans advanced by the shipping Development Fund Committee.	Full payment of principal and interest as well as any other charges which become repayable.	Nil	3 23,00	3,23,00	..	..
94	Jayanti Shipping Co. (Pvt.) Ltd., New Delhi.	Eight counter guarantees dated 1-10-62, 15-10-62 and 26-12-62 executed jointly by Govt. of India, Jayanti Shipping Co. and Shipping Development Fund Committee.	Indemnification of the State Bank of India from and against all claims and demands on the Bank in respect of guarantee bonds to be issued by it in favour of the Mitsubishi Shipyard, Japan in respect of eight ships ordered by the Company. The guarantee will come into effect only after the acceptance of the delivery of the ships by the shipping Development Fund Committee.	Nil	10,14,85	9,07,46	..	The ships in question will be mortgaged to the Shipping Development Fund Committee on delivery.
95	Hindustan Shipyard, Limited.	Ministry of Transport letter No. SY-5(6)/63, dated 26-3-63.	Payment of principal, interest and other charges.	Prevailing State Bank of India rate subject to a minimum of 4½%	2,00,00	3,32	Promissory Note for Rs. 2 Crores was obtained from the shipyard and endorsed to State Bank of India.	This is a cash credit arrangement with the State Bank of India to provide working capital to the Hindustan Shipyard, Ltd.

1	2	3	4	5	6	7	8	9
96	Air India	Guarantee Agreement dated 5-3-57 between the President of India and International Bank for Reconstruction and Development.	Payment of principal, interest and other charges as per Loan Agreement between the borrower and I.B.R.D. referred to in guarantee agreement.	(*i*) 5½ percent p. a. on the principal amount of loan withdrawn and outstanding from time to time. (*ii*) Commitment charges at ¾% p.a. on the principal amount of the loan not so withdrawn from time to time. (*iii*) Special commitment charge at ½% p.a. on the principal amount of any such special commitments outstanding from time to time. (*iv*) Premium at specified rates on the pre-payment of the loan or the redemption of the Bonds.	2,66,67	2,40,00	..	The Govt. of India have also undertaken to provide the Corporation with Funds sufficient to redeem its 3½% Bonds & such further funds over and above the loan for completing the project set forth in the Loan Agreement.

	Do.	Guarantee agreement dated 28-5-57 between the President of India and the five commercial banks of U.S.A.	Payment of principal, interest and other charges as per credit Agreement dated 31-7-57 between the Air India and five American banks.	(i) 5 % p. a. on the Principal amount of loan withdrawn & outstanding from time to time. (ii) Commitment charges at 3/4% on the average daily unused portion of such Banks commitments. (iii) Premium charges of 1/4% p.a. on the principal amount prepaid from the date of payment to the stated maturity date of the amount prepaid by the corporation.	5,33,33		
	AIR INDIA						
	Do.	Guaranteed under Section 27 of Air Corporations Act, 1953.	Repayment of principal and payment of interest on Air India International Corporation Bonds, 1953-58.	3½%	2,54,00	1	.. The liability under the agreement has since been discharged except for a few bonds of the principal amount of Rs. 1000 which remained unredeemed.

1	2	3	4	5	6	7	8	9
	Do. . .	Supplementary Agreement dated 20-5-60 between the Govt. of India and the 5 U.S. Commercial Banks.	The Govt. of India have guaranteed the due and punctual payment of the principal and interest on the loan.	(*i*) 6 % p.a. on the principal amount of the Loan withdrawn and outstanding from time to time.	57,33	57,33	..	The commitment charge is payable semi-annually on 1st April/October. The date of additional borrowing will mature on 1-10-65.
				(*ii*) Commitment charges at 3/4% on the average daily unused portion of such Bank's Commitments.				
				(*iii*) Premium charges of 1/4 % p.a. on the principal amount prepaid from the date of pre-payment to the stated maturity date of the amount pre-paid by the Corporation.				
	Do. .	Second Supplementary Agreement dated 1-5-61 between Air India/the President of India and the	Payment of principal and interest	(*i*) Interest 5 ¾% per annum on principal amount of the loan withdrawn.	1,14,29	1,91,00	Nil	

		five Commercial Banks of the United States of America.		(ii) Premium charges of ½% per annum on the Principal amount prepaid from the date of prepayment to the stated maturity date of the amount prepaid by the Corporation.				
		Third Supplementary Agreement dated 1-4-63 between the Air India, President of India and five commercial Banks of U.S.A.	Do.	(i) Do. (ii) Do. (iii) Commitment fee of ½% per annum.	4,62,43	4,62,43		
		Agreement dated 1-4-63 between Air India, the President of India and the Boeing Airplane Company U.S.A.	Do.	Do.	63,07	63,07		
97	Indian Airlines Corporation.	Ministry of Transport letter No. 9-CA(22)/60, dated 7-10-60.	The Govt. of India have guaranteed payment of all instalments by the Indian Airlines Corporation, as and		2,23,53	7	..	..

1	2	3	4	5	6	7	8	9
			when they become due as stipulated in Article 3 of the Contract entered into for supply of five Fokker F-27 (Friendship) aircraft and connected spares & equipment.					
	Do.	Guaranteed under Section 27 of Air Corporations Act, 1953.	Repayment of principal and interest on 3½% Indian Airlines Corporation Bonds, 1953—58.	3½ %	2,62,31 and interest accruing thereon.	1,05	..	
	..	Guarantee given vide Govt. of India, Min. of T. & C. (Deptt. of Commns. & Civil Aviation) letter No. 9-CA (5)/61, dated 19-12-1961.	The Govt. of India have guaranteed the payment of all instalments by the Indian Airlines Corporation in Indian Rupees to be paid into a blocked rupee account of Fokkers in Bombay as and when such instalments become due stipulated in para 5 of the Supplemental Agreement dated the 17th October, 1961 entered into between		2,67,75	8,10	..	

			M/s. N. V. Keninklijke—Nederlands Vliegtuigenfabriek Fokker, Holland and I.A.C. for the supply of five additional F.27 aircraft and connected spares and equipment and the transfer of the Indian rupees so paid in Bombay, with interest earned to Holland after conversion into Dutch Guilders, as soon as corresponding value of Indian products have been exported as per terms and conditions laid down in Annexure E of the Supplemental Agreement.					
98	Calcutta Port Commissioners.	Guarantee Agreement between the President of India and the international bank for Reconstruction and Development.	Payment of principal, interest and other charges, as per loan agreement between the borrower and the I.B.R.D.	5½ %	13,80,95	10,32,14	...	Agreement dated 25-6-58.	
	Do.	Do.	Do.	5¾%	10,00,00	1,86,71	..	Agreement dated 17-8-61.	

1	2	3	4	5	6	7	8	9	10
99		Madras Port Trust.	Do.	Do.	5½ %	6,66,67	3,47,81	..	Agreement dated 5-6-58.
				MINISTRY OF WORKS, HOUSING AND REHABILITATION					
100		National Building Construction Corporation Limited.	Article 292 of the Constitution of India and sanction dated 9-7-63.	Guarantee given by the Govt. of India to enable the Corporation to operate Cash Credit account with the State Bank of India to the extent of Rs. 82 lakhs.	¼% above State Bank of India advance rate rising and falling therewith with a minimum of 6¼% per annnm on drawings upto Rs. 72 lakhs and at 1/2% above State Bank of India's advance rate rising and falling therewith a minimum of 6½% with monthly rates on drawings above Rs. 72 lakhs.	82,00	79,51	No.	
101		Hindustan Housing Factory Limited.	Article 292 of the Constitution of India and sanction dated 24-5-63.	Guarantee given by the Govt. of India to enable the Factory to operate cash credit account with the State Bank of India to the extent of Rs. 40 Lakhs.	¼% above State Bank of India advance rate with a minimum of 6¼% p.a. on drawings upto Rs. 20 lakhs and at ½% above State Bank advance rate with a minimum of 6½% p.a. on drawings above Rs. 20 lakhs with monthly rests	40,00	12,4[illegible]		

102	Kanwar Raj Nath purchaser of an evacuee concern known as Ambernath Mills at Bombay.	(1) Rehabilitation Committee of the cabinet as per their directive given on 29-11-58. (2) Guarantee executed on 21-4-60.	The entire loan of Rs. 7,00,000 granted to Kanwar Raj Nath by the Bomby State Financial Corporation for running the Mills has been guaranteed in the shape of second mortgage on the property.	6½% per annum.	7,00	2,11	Mortgage of the Ahmed Silk Mills situated on the property bearing Non-agricultural Survey No. 2 of Kohaj Kuntavli Development Scheme 15, Ambernath, Bombay.	
			DELHI AND HIMACHAL PRADESH ADMINISTRATIONS					
103	Punjab Financial Corporation.	(*i*) Agreement dated 14-10-57 to enable the Punjab Govt. to extend its jurisdiction to serve the needs of the Union Territory of Delhi. (*ii*) Agreement dated 19-5-62 entered into between the Punjab State Govt., Delhi Admn. and Himachal Pradesh Admn. to enable the S.F.C. to extend its jurisdiction to Himachal Pradesh.	Guarantee liability of the President for (i) the repayment of share capital of the Corporation and for the payment of annual dividend at the maximum rate of 3% will be in the proportion of 10:5:2 between Punjab Govt., the Union Territory of Delhi and Himachal Pradesh Admn.	3% Delhi Admn. Himachal Pradesh Admn.	29,41 11,76	29,41 11,76		41,655 shares of the Punjab Financial Corporation are held by the Punjab Govt., Delhi Admn. and H.P. Admn. in the ratio of 10:5:2 respectively.

1	2	3	4	5	6	7	8	9	10
				(ii) the bonds issued by the Corporation for (*a*) Rs. 1·10 crores in 1958 carrying interest at 4¾%, (*b*) Rs. 55 Lakhs in 1961 carrying interest rate at 4½% p.a. and (*c*) Rs. 55,00,000 in 1962 carrying interest rate at 4¾% p.a. in the ratio of 2:1 as between the Punjab Govt. and the Delhi Administration.	4¾% in the case of Bonds issued in 1958, 4½% in the case of Bonds issued in 1961. and 4¾% in the case of Bonds issued in 1962.	73,33	70,76	No.	
				(*iii*) the Bonds issued by the Corporation for Rs. 50 lakhs in 10/62 carrying interest rate at 4¾ % p.a. in the ratio of 10:5:2 as amongst Punjab Govt., Delhi Admn. and H. P. Admn.	4¾%	Delhi Admn. 16,17 16,17 Himachal Pradesh Admn. 6,47	16,17 6,47		

TRIPURA ADMINISTRATION

194	Assam Financial Corporation.	Agreement between Assam Govt. and Tripura Administration dated the 15th March 1960 to enable the Assam Financial Corporation to extend its jurisdiction to serve the needs of the Union Territory of Tripura as well.	Guarantee by the Central Govt. on behalf of the Tripura Admn. of (i) the paid-up capital of the Assam Financial Corporation Rs. 1 crore both as regards repayment of principal and payment of annual dividend at the minimum rate of 3½% p. a. in ratio of 2:1 as between Assam Govt. & the Tripura Admn.	3½%	33,33	33,33	No.	The Tripura Administration holds 17,225 fully paid-up shares of Rs. 100. each
			(ii) the Bonds issued by the Corporation for (a) Rs. 55 lakhs in 1959 carrying interest at 4¼% p.a. & (b) Rs. 50 lakhs in 1961 carrying interest at 4½% p.a. (c) Rs. 55 lakhs in 1961 carrying interest at 4¾% p.a. in the ratio of 2:1 as between the Assam Govt. and the Tripura Administration.	4¼% p.a. in the case of Bonds issued in 1959 and 4½% p.a. in the case of Bonds issued in 1961.	60,66	60,66	No.	

ANNEXURE XIX

Statement showing the contributions to International bodies

(In thousands of rupees

Name of Organisation	Nature and purpose of contribution	Actuals, 1962-63	Budget 1963-64	Revised 1963-64	Budget 1964-65
	MINISTRY OF EDUCATION				
1. U.N.E.S.C.O. . .	Annual contribution	16,41	10,00	10,00	10,00
2. UNESCO Research Centre on social implications of industrialisation in South Asia.	Do. . .	1,67		1,07	1,67
3. International Bureau of Education	Do. . .	11	11	11	11
4. Royal Society and Nuffield Foundation Commonwealth Bursaries Scheme.	Do. . .	..	..	7	6
5. Commonwealth Education Liaison Unit.	Do. . .	36	35	34	27
6. International Copyright Union for the Protection of Literary and Artistic Works, Berne.	Do. . .	6	11	11	11
7. International Scientific Union.	Do. . .	97	1,74	1,77	1,78
8. Commonwealth Committee on Geology and Mineral Resources.	Do. . .	9	10	17	15
9. International Association for the exchange of students for technical experience.	Do . .	..	3	3	3
10. International Centre for study of preservation and restoration of cultural property.	Do. . .	..	16	15	17
11. Royal Asiatic Society.	Contribution . .	3	..	..	3
	TOTAL .	19,70	14,27	14,42	14,38
	MINISTRY OF EXTERNAL AFFAIRS				
12. Commonwealth Economic Committee.	Annual contribution	1,87	1,99	1,99	1,99 6
13. International Bureau of Permanent Court of Arbitration.	Do.	6	6	6	
14. United Nations Organisation.	Do. . .	88,52	65,00	80,00	80,00
Do. . . .	Contribution in respect of U.N.E.F.	..	15,00	16,37	16,00
Do. . . .	Contribution in respect of Congo.	38,57	60,00	24,04	25,00
15. Asian African Legal Consultative Committee.	Annual contribution	16	16	19	19
16. United Nations Relief and Works Agency.	Contribution towards relief programme of Palestine refugees.	1,00	1,00	1,00	1,00
	TOTAL .	1,30,18	1,43,21	1,23,65	1,24,24

(In thousands of rupees)

Name of Organisation	Nature and purpose of contribution	Actuals, 1962-63	Budget 1963-64	Revised 1963-64	Budget 1964-65
	MINISTRY OF FINANCE				
17. United Nations Expanded Programme of Technical Assistance	Annual contribution	39,05	40,48	40,48	40,48
18. United Nations Technical Assistance Board.	Contributions towards expenses of the Resident Representative.	1,87	1,20	1,40	1,40
19. U.N. Special Projects Fund.	Annual contribution	97,86	1,02,38	1,02,38	1,02,38
	TOTAL . .	1,38,78	1,44,06	1,44,26	1,44,26
	MINISTRY OF FOOD AND AGRICULTURE				
20. Commonwealth Agricultural Bureau.	Annual contribution	2,39	2,60	2,39	2,39
21. International Wheat Council.	Do. . .	8	8	8	8
22. International Dairy Federation.	Annual membership fee.	6	6	6	6
23. United Nations International Children's Emergency Fund.	Contribution towards general resources.	14,00	14,00	14,00	14,00
24. Food and Agricultural Organisation of the United Nations.	Annual contribution	21,56	18,57	18,96	23,00
Do.	Contribution for Desert Locust Control.	1,41	1,41	1,41	—
Do. . . .	Contribution towards rent of building .	12	19	19	19
25. Contribution to World Food Programme.		6,73	8,87	8,87	7,00
26. International office of Epizootics.		10	8	10	10
27. International Seed Testing Association.		3	1	1	1
28. International Sugar Council.		11	11	11	11
29. International Association of Cereal Chemistry.		—	2	4	2
30. Commonwealth Forestry Institute	Contribution .	—	—	—	13
	TOTAL .	46,59	46,00	46,22	47,09
	MINISTRY OF HEALTH				
31 World Health Organisation.	Annual contribution	26,99	27,00	26,92	34,53
32. Union International Centre, Le Cancer, Paris.	Annual contribution	2	3	2	2
33 London School of Hygiene and Tropical Medicine.	Do. . .	1	1	1	1
34. International Committee of the Red Cross.	Annual contribution	75	75	75	75
35. League of Red Cross Societies, Geneva.	Do. . .	75	75	75	75
36. United Nations International Children's Emergency Fund.	Do.	10,00	16,00	16,00	16,00
37. International Union against the venereal diseases and the Triponematoses.	Do. . .	1	1	1	1
	TOTAL .	38,53	44,55	44,46	52,07

(In thousands of rupees)

Name of Organisation	Nature and purpose of contribution	Actuals, 1962-63	Budget 1963-64	Revised 1963-64	Budget 1964-65
MINISTRY OF HOME AFFAIRS					
38. International Criminal Police Commission.	Annual contribution	27	27	28	28
MINISTRY OF INDUSTRY					
39. International Cotton Advisory Committee, Washington.	Annual contribution	—	23	24	24
40. International Tin Council.	Do. . .	16	16	18	18
41. International Study Group for Copper, Lead and Zinc.	Do. . .	7	7	7	7
42. Asian Productivity Council.	Do . .	1,81	2,24	2,24	2,31
	TOTAL .	2,04	2,70	2,73	2,80
MINISTRY OF INTERNATIONAL TRADE					
43. International Customs Tariff Bureau.	Annual contribution	28	28	28	28
44. General Agreement on Tariff and Trade.	Contribution to working expenses of the contracting parties.	84	88	88	96
45. International Organisation of Legal Meteorology.	Annual contribution	9	9	9	9
46. International Coffee Organisation . .	Do. . .	—	—	22	22
	TOTAL . .	1,21	1,25	1,47	1,55
MINISTRY OF IRRIGATION AND POWER					
47. World Power Conference.	Contribution .	1	1	1	1
48. International Commission on Large Dams.	Do. . .	3	3	3	3
49. International Commission on Irrigation and Drainage.	Do. . .	1,76	3	3	3
50. Permanent International Association of Navigation Congress.	Do. . .	—	1	1	1
51. British Electrical and Allied Industries Research Association.	Do. . .	2	2	2	2
52 U. N. Special Fund	Do. . .	1,62	3,25	3,25	2,14
	TOTAL .	3,44	3,35	3,35	2,24
MINISTRY OF LABOUR AND EMPLOYMENT					
53. Internationa Labour Organisation.	Annual contribution	16,19	20,27	20,28	23,10

(In thousands of Rupees)

Name of Organisation	Nature and purpose of contribution	Actuals, 1962-63	Budget, 1963-64	Revised 1963-64	Budget 1964-65
MINISTRY OF STEEL, MINES AND HEAVY ENGINEERING					
54. International Geological Map of the World Commission.	Contributon .	1	1	1	1
	TOTAL. . .	1	1	1	1
MINISTRY OF TRANSPORT					
55. International Union of Official Travel Organisations, Geneva.	Annual contribution	5			8
56. Pacific Area Travel Association.	Do. . .	29	30	30	28
57. South Asian and Travel Commission.	Do. . .	2	1	1	1
58. International Civil Aviation Organisation.	Do. . .	5,06	5,09	4,86	5,55
59. International Meteorological Organisation.	Annual contribution.	1,11	90	2,00	2,00
60. Institute of Navigation, London.	Contribution . .	1	1	1	1
61. Inter-Governmental Maritime Consultative Organisation.	Contribution . .	—	32	28	28
62. International Association of Lighthouse Authorities.	Membership fee. .	2			2
	TOTAL . .	6,56	6,73	7,56	8,23
DEPARTMENT OF ATOMIC ENERGY					
63. International Atomic Energy Agency.	Contribution . .	6,72	9,19	7,69	9,19
64. Subscription to the International Mathematical Union.	Annual subscription	1	2	2	2
65. Committee on Space Research.	Do.	5	5	15	5
66. International Organisation for Pure and Applied Bio-physics.	Annual membership	—	—	1	1
	TOTAL . .	6,78	9,26	7,87	9,27
DEPARTMENT OF POSTS AND TELEGRAPHS					
67. International Telecommunications Union, Geneva.	Contribution towards ordinary expenses for participation in Conferences and for cost of Publications.	6,44	6,70	6,47	7,75
LOK SABHA					
86. Inter-Parliamentary Union and Commonwealth Parliamentary Association.	Annual contribution.	40	42	42	45
	GRAND TOTAL . .	4,17,12	4,43,05	4,23,45	4,32,72

ANNEXURE XX

Tax payable and the amount of annuity deposit required to be made and percentages of these amounts with reference to income.

The statements below show the tax (income-tax, super-tax and surcharge) payable, the amount of annuity deposit required to be made and the aggregate of tax and annuity deposit in the case of individuals in different circumstances (unmarried, married, married and with one child and with more than one child) at various levels of income. Figures have been given separately in respect of earned income (including salaries), and wholly unearned income.

A. *Statement showing in selected cases tax payable and the amount of annuity deposit required to be made and percentages of these amounts with reference to income ranging from Rs. 3,000 to Rs. 20,000*

MARRIED PERSONS

Income	Annuity Deposit		Wholly earned income (including income from salaries)				Wholly unearned income			
			Tax		Tax plus Deposit		Tax		Tax plus deposit	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Rs.	Rs.		Rs.		Rs.		Rs.		Rs.	
3,000	..	..	..	..	..	..	..	..	..	..
3,200	..	..	12	0·4	..	..	12·00	0·4	..	..
3,600	..	..	36	1·0	..	..	36·00	1·0	..	..
4,200	..	..	72	1·7	..	..	72·00	1·7	..	..
4,800	..	..	108	2·2	..	..	108·00	2·2	..	..
5,000	..	..	120	2·4	..	..	120·00	2·4	..	..
6,000	..	..	220	3·7	..	..	220·00	3·7	..	..
7,200	..	..	340	4·7	..	..	340·00	4·7	..	..
8,400	..	..	505	6·0	..	..	505·00	6·0	..	..
9,600	..	..	685	7·1	..	..	685·00	7·1	..	..
10,000	..	..	745	7·4	..	..	745·00	7·4	..	..
12,000	..	..	1,045	8·7	..	..	1,175·62	9·8	..	..
13,200	..	..	1,260	9·5	..	..	1,417·50	10·7	..	..
14,400	..	..	1,500	10·4	..	..	1,687·50	11·7	..	..

1	2	3	4	5	6	7	8	9	10	11
15,000	..	..	1,620	10·8	..	..	1,822·50	12·1	..	..
16,800	840	5	1,812	10·8	2,652	15·8	2,038·50	12·1	2,878·50	17·1
18,000	900	5	2,040	11·3	2,940	16·3	2,295·00	12·7	3,195·00	17·7
20,000	1,000	5	2,420	12·1	3,420	17·1	2,722·50	13·6	3,722·50	18·6

MARRIED WITH ONE CHILD

Income	Annuity Deposit		Wholly earned income (including income from salaries)				Wholly unearned income			
			Tax		Tax plus Deposit		Tax		Tax plus Deposit	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Rs.	Rs.		Rs.		Rs.		Rs.		Rs.	
3,000	..	..	..	..	..	..	..	..	..	..
3,200	..	..	..	..	..	..	..	..	..	..
3,600	..	..	18	0·5	..	..	18·00	0·5	..	..
4,200	..	..	54	1·3	..	..	54·00	1·3	..	..
4,800	..	..	90	1·9	..	..	90·00	1·9	..	..
5,000	..	..	102	2·0	..	..	102·00	2·0	..	..
6,000	..	..	202	3·4	..	..	202·00	3·4	..	..
7,200	..	..	322	4·5	..	..	322·00	4·5	..	..
8,400	..	..	487	5·8	..	..	487·00	5·8	..	..
9,600	..	..	667	6·9	..	..	667·00	6·9	..	..
10,000	..	..	727	7·3	..	..	727·00	7·3	..	..
12,000	..	..	1,027	8·5	..	..	1,155·37	9·6	..	..
13,200	..	..	1,242	9·4	..	..	1,397·25	10·6	..	..
14,400	..	..	1,482	10·3	..	..	1,667·25	11·6	..	..

1		3	4	5	6	7	8	9	10	11
15,000	..	..	1,602	10·7	..	..	1,802·25	12·0	..	..
16,800	840	5	1,794	10·7	2,634	15·7	2,018·25	12·0	2,858·25	17·0
18,000	900	5	2,022	11·2	2,922	16·2	2,274·75	12·6	3,174·75	17·6
20,000	1,000	5	2,402	12·0	3,402	17·0	2,702·25	13·5	3,702·25	18·5

MARRIED WITH MORE THAN ONE CHILD

Income	Annuity Deposit		Wholly earned income (including income from salaries)				Wholly unearned income			
			Tax		Tax plus Deposit		Tax		Tax plus Deposit	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Rs.	Rs.		Rs.		Rs.		Rs.		Rs.	
3,000	..	..	..	..	..	..	..	..	..	..
3,200	..	..	..	..	..	..	..	..	..	..
3,600	..	..	..	..	..	..	..	..	..	..
4,200	..	..	36	0·4	..	..	36·00	0·4	..	..
4,800	..	..	72	1·5	..	..	72·00	1·5	..	..
5,000	..	..	84	1·7	..	..	84·00	1·7	..	..
6,000	..	..	184	3·1	..	..	184·00	3·1	..	..
7,200	..	..	304	4·2	..	..	304·00	4·2	..	..
8,400	..	..	469	5·6	..	..	469·00	5·6	..	..
9,600	..	..	649	6·8	..	..	649·00	6·8	..	..
10,000	..	..	709	7·1	..	..	709·00	7·1	..	..
12,000	..	..	1,009	8·4	..	..	1,135·12	9·4	..	..
13,200	..	..	1,224	9·3	..	..	1,377·00	10·4	..	..
14,400	..	..	1,464	10·2	..	..	1,647·00	11·4	..	..
15,000	..	..	1,584	10·6	..	..	1,782·00	11·9	..	..
16,800	840	5	1,776	10·6	2,616	15·6	1,988·00	11·9	2,838·00	16·9
18,000	900	5	2,004	11·1	2,904	16·1	2,254·50	12·5	3,154·50	17·5
20,000	1,000	5	2,384	11·9	3,384	16·9	2,682·00	13·4	3,682·00	18·4

UNMARRIED

Income	Annuity Deposit		Wholly earned income (including income from salaries)				Wholly unearned income			
			Tax		Tax plus Deposit		Tax		Tax plus Deposit	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Rs.	Rs.		Rs.		Rs.		Rs.		Rs.	
3,000	..	..	..	..	..	..	..	..	..	..
3,200	..	..	100	3·1	..	..	100·00	3·1	..	..
3,600	..	..	156	4·3	..	..	156·00	4·3	..	..
4,200	..	..	192	4·6	..	..	192·00	4·6	..	..
4,800	..	..	228	4·7	..	..	228·00	4·7	..	..
5,000	..	..	240	4·8	..	..	240·00	4·8	..	..
6,000	..	..	340	5·7	..	..	340·00	5·7	..	..
7,200	..	..	460	6·4	..	..	460·00	6·4	..	..
8,400	..	..	625	7·4	..	..	625·00	7·4	..	..
9,600	..	..	805	8·4	..	..	805·00	8·4	..	..
10,000	..	..	865	8·6	..	..	865·00	8·6	..	..
12,000	..	..	1,165	9·7	..	..	1,310·62	10·9	..	..
13,200	..	..	1,380	10·4	..	..	1,552·50	11·8	..	..
14,400	..	..	1,620	11·2	..	..	1,822·50	12·6	..	..
15,000	..	..	1,740	11·6	..	..	1,957·50	13·0	..	..
16,800	840	5	1,932	11·5	2,772	16·5	2,173·50	12·9	3,013·50	17·9
18,000	900	5	2,160	12·0	3,060	17·0	2,430·00	13·5	3,330·00	18·5
20,000	1,000	5	2,540	12·7	3,540	17·7	2,857·50	14·3	3,857·50	19·3

B. *Statement showing in selected cases tax payable and the amount of annuity deposit required to be made and percentage of these amounts with reference to incomes in the range between Rs. 20,000 and up to Rs. 30,00,000*

ALL CLASSES OF INDIVIDUALS

Income	Annuity Deposit		Wholly earned income (including income from salaries)				Wholly unearned income			
			Tax		Tax plus Deposit		Tax		Tax plus Deposit	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Rs.	Rs.		Rs.		Rs.		Rs.		Rs.	
24,000	1,800	7·5	3,510	14·6	5,310	22·1	3,949	16·4	5,749	23·9
25,000	1,875	7·5	3,834	15·3	5,709	22·8	4,313	17·2	6,188	24·7
30,000	2,250	7·5	5,590	18·6	7,840	26·1	6,428	21·4	8,678	28·9
36,000	2,700	7·5	8,305	23·1	11,005	30·6	9,551	26·5	12,251	34·0
42,000	4,000	9·5*	10,890	25·9	14,890	35·4	12,523	29·8	16,523	39·3
48,000	4,800	10	13,750	28·6	18,550	38·6	15,812	32·9	20,612	42·9
60,000	6,000	10	20,290	33·8	26,290	43·8	23,333	38·9	29,333	48·9
72,000	8,000	11·1*	27,290	37·9	35,290	49·0	31,383	43·6	39,383	54·7
90,000	11,250	12·5	38,052	42·3	49,302	54·8	44,182	49·1	55,432	61·6
1,00,000	12,500	12·5	44,615	44·6	57,115	57·1	52,423	52·4	64,923	64·9
2,00,000	25,000	12·5	1,15,865	57·9	1,40,865	70·4	1,29,532	64·8	1,54,532	77·3
3,00,000	37,500	12·5	1,88,052	62·7	2,25,552	75·2	2,06,641	68·9	2,44,141	81·4
4,00,000	50,000	12·5	2,60,240	65·1	3,10,240	77.6	2,83,751	70·9	3,33,751	83·4
5,00,000	62,500	12·5	3,32,427	66·5	3,94,927	79·0	3,60,860	72·2	4,23,360	84·7
10,00,000	1,25,000	12·5	6,93,365	69·3	8,18,365	81·8	7,46,407	74·6	8,71,407	87·1
20,00,000	2,50,000	12·5	14,15,240	70·8	16,65,240	83·3	15,17,501	75·9	17,67,501	88·4
30,00,000	3,75,000	12·5	21,37,115	71·3	25,12,115	83·8	22,88,594	76·3	26,63,594	88·8

*This percentage has been arrived at after applying the provisions contained in the Second Schedule to the Finance Act, 1964 in regard to marginal adjustments at certain levels of income.

ANNEXURE

SUMMARY OF

(In crores of rupees)

Receipts	Accounts, 1956-57	Accounts, 1957-58	Accounts, 1958-59	Accounts, 1959-60	Accounts, 1960-61	Accounts, 1961-62	Accounts, 1962-63	Revised, 1963-64	Budget 1964-65
1. Revenue Surplus	89·40	42·05	..	42·55	51·25	124·85	113·40	88·34	82·99
2. Rupee Loans raised	157·74	136·17	501·91	378·97	246·34	256·02	336 56	451·92	300·00
3. Special floating Loans issued	..	..	..	71·43	3·45	3·45	3·45	3·45	3·45
4. Net sales from Cash Balance Investment Accounts	..	·05	·08	·97	·97	·21	..	37·32	·56
5. Other Loans	10·84	32·47	197·25	186·98	264·71	314·33	339·57	502·55	696·97
6. Small Savings (Net)	59·01	69·45	78·21	82·87	103·76	87·83	74·11	115·00	125·00
7. Incom-Tax Annuity Deposits	..	..	..	..	..	..	..	..	67·00
8. Repayment of Loans by—									
(a) States and Union Territory Govts.	34·60	61·40	61·93	80·85	95·48	133·91	144·75	185·73	238·92
(b) Others	7·49	13·28	20·78	24·08	30·50	56·92	26·12	42·56	46·03
9. Railway Funds—									
(a) Depreciation Reserve	47·68	49·38	48·40	47·96	46·64	67·73	69·02	82·61	85·70
(b) Revenue Reserve	1·53	1·70	1·09	1·90	1·87	1·90	2·02	2·15	2·28
(c) Development	20·64	13·64	19·10	35·13	36·07	25·24	42·76	39·11	32·40
(d) Pension Fund	..	..	..	..	..	..	..	..	19·59
10. Treasury Bills (Net)	240·45	459·43	—69·80	72·28	—191·31	68·69	124·56	42·00	96·00
11. Investment of Deposits of U.S. Govt. Counterpart Funds (Net)	..	..	..	..	240·41	54·13	48·07	65·42	..
12. Other debt heads (Net)	65·63	51·83	71·83	83·32	154·35	136·05	273·15	273·36	456·26
13. Opening Balance .	—4·65	50·96	52·11	34·87	69·67	45·22	49·40	67·83	50·21
TOTAL .	730·36	981·81	982·89	1144·16	1154·16	1386·48	1646·94	1999·35	2303·36

XXI
WAYS AND MEANS

(In crores of rupees)

Disbursements	Accounts, 1956-57	Accounts, 1957-58	Accounts, 1958-59	Accounts, 1959-60	Accounts, 1960-61	Accounts, 1961-62	Accounts, 1962-63	Revised, 1963-64	Budget, 1964-65
1. Revenue Deficit. .	..	..	5·25	..	..	..	..	..	..
2. Capital Expenditure—									
(a) Defence	19·70	22·93	27·88	36·11	33·39	22·95	48·61	115·63	136·10
(b) Railways	107·38	151·90	125·82	74·69	89·48	144·90	214·89	237·25	253·00
(c) Others	147·43	256·73	248·16	246·71	282·63	268·48	348·67	477·19	581·38
3. Loans by Central Government to—									
(a) States and Union Territory Govts.	198·32	275·98	293·90	275·47	328·18	443·47	511·09	618·75	611·09
(b) Others	56·90	58·33	106·27	217·73	158·30	144·74	128·64	157·00	216·74
4. Discharge of debt. .	83·23	74·68	31·96	129·88	128·62	203·23	228·59	243·07	262·68
5. Net purchase in Cash Balance investment Account	2·89	..	..	..	..	..	·08	..	..
6. Drawal from Railway funds—									
(a) Depreciation Reserve	43·76	63·62	80·72	68·36	64·04	58·24	75·37	70·50	71·00
(b) Revenue Reserve.	..	..	..	..	..	..	..	..	..
(c) Development .	19·85	25·53	28·06	25·54	24·30	51·07	23·17	29·75	33·00
(d) Pension Fund	..	..	..	..	..	..	..	..	4·00
7. Investment of Deposits of U.S. Govt. Counterpart Funds (Net).	..	..	..	..	..	..	..	..	84·84
8. Closing balance .	50·90	52·11	34·87	69·67	45·22	49·40	67·83	50·21	49·53
TOTAL. .	730·36	981·81	982·89	1144·16	1154·16	1386·48	1646·94	1999·35	2303 36

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